

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 9018 (Reopened)
Order No. R-8170-K

IN THE MATTER OF THE REOPENING PURSUANT
TO ORDER NO. R-8170-F TO CONSIDER THE
TWELVE (12) TIMES OVERPRODUCTION RULE FOR
PRORATED GAS POOLS IN THE SAN JUAN BASIN,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on March 12, 1992, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of April, 1992, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) Case 9018 was reopened pursuant to Orders R-8170-A, D and F which amended Rules 10(a), 11(a) and 11(b), and Order R-8170-C which rescinded the amendments of Rule 10(a) and 11(a) and also promulgated Rule 11(h) pertaining to the general rules for prorated gas pools as promulgated by Order R-8170.

(3) The amendment of Rule 11(b) in Order R-8170-A provided that gas wells in Northwest New Mexico could become 12 times overproduced before being required to curtail or shut-in.

(4) Order R-8170-F provided that the amendments to Rule 11(b) would expire on June 1, 1992 unless further amended or extended after hearing to be held in March, 1992.

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(5) Order R-8170-H amended the General Rules for Prorated Gas Pools of New Mexico as enacted or amended by Order R-8170 and suffix orders A, B, C, D and F.

(6) The effective date of Order R-8170-H was April 1, 1991 and Rule 11(b) was amended by this order.

(7) Testimony and exhibits were received from Amoco Production Company, Meridian Oil Company and Union Oil Company of California dba UNOCAL. A statement was read into the record from Phillips Petroleum Company. All of the above supported the continuation of Rule 11(b).

IT IS THEREFORE ORDERED THAT:

(1) Rule 11(b) as stated in Order R-8170-H has become permanent and does not require further hearings.

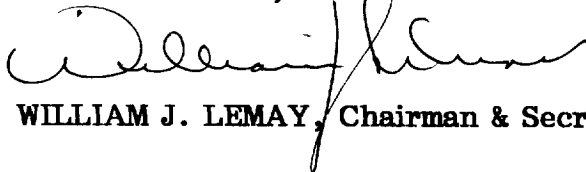
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



GARY CARLSON, Member



WILLIAM J. LEMAY, Chairman & Secretary

S E A L

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