

OIL CONSERVATION DIV.
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

**APPLICATION OF THE NEW MEXICO
OIL CONSERVATION DIVISION TO
TERMINATE GAS PRORATIONING AND
INSTITUTE SPECIAL POOL RULES
FOR THE EUMONT GAS POOL AND
THE JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12563

**APPLICATION FOR TERMINATION OF GAS PRORATION
AND
PROMULGATION OF SPECIAL POOL RULES**

1. The Eumont Gas Pool, Lea County, New Mexico was created February 17, 1953, and gas prorationing was instituted in this pool on January 1, 1954.
2. By Order R-8170-G dated November 8, 1990 and effective December 1, 1990, the Division established a minimum gas allowable of 600 MCF per day for an acreage factor of 1 (160 acres) for the Eumont Gas Pool. When six-month allowable assignments began in April 1991, the allowable became 18,300 MCF per month for an acreage factor of 1 (160 acres). The monthly allowable increased over the next few years to 38,000 MCF per month in April 1995 for the Eumont Gas Pool.
3. A review of production data shows that few gas prorationing units (GPUs) in the Eumont Gas Pool are currently producing anywhere near the assigned allowable. The March 2000 Proration Report shows 555 wells produced 1,694,946 MCF for an average monthly production of 3,054 MCF per well per month.

4. No production in excess of the allowable was reported for the Eumont Gas Pool in January, February or March 2000. Monthly Proration Reports obtained from the Ongard system for the period of January 1997 through March 2000 indicate six GPUs were overproduced.
5. The Jalmat Gas Pool, Lea County, New Mexico was created September 1, 1954, by consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in the Jalco and Langmat Pools on January 1, 1954, and was continued after the consolidation that formed the Jalmat Gas Pool.
6. Order R-8170-J issued January 8, 1991, established a minimum gas allowable of 600 MCF per day for the Jalmat Gas Pool.
7. On the last monthly proration schedule issued in March 1991, there were 353.49 GPUs in the Jalmat Pool; 20.25 were non-marginal and the remainder were marginal. On the April-September 1996 schedule, 0.75 non-marginal units were listed. Recent production information indicates only six GPUs have over produced the non-marginal allowable rate since January 1997.
8. The total producing capacity of the wells in the Eumont Gas Pool and the Jalmat Gas Pool is not greater than the market demand for gas produced from each of these pools.
9. It is not necessary to continue gas prorationing in the Eumont Gas Pool and the Jalmat Gas Pool to protect the correlative rights of the interest owners in the two pools or to prevent waste.
10. The Eumont Gas Pool and the Jalmat Gas Pool have been developed and produced as provided by the General Rules for the Prorated Gas Pools of New Mexico and the special rules for each specific pool. *See* Order R-8170 issued March 28, 1986. If the