

Wrotenbery, Lori

From: bill.duncan@exxonmobil.com
Sent: Friday, July 05, 2002 3:45 PM
To: wrotenbery@state.nm.us
Cc: ezeanyim@state.nm.us; roland.moreau@exxonmobil.com; tony.w.hord@exxonmobil.com; Lyndal_C_Trout/Houston/Mobil-Notes@exxonmobil.com
Subject: NMOCD Rule 402 Comments for July 8, 2002 Meeting



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Lori,

I regret that I won't be able to come up to Santa Fe on Monday for the Rule 402 meeting, but the text of our comments on the rule are included below and in the signed letter which is being sent to you by overnight mail. Thank you for looking into Rule 402.

Bill Duncan, Exxon Mobil Corporation
713.431.1019

(See attached file: WTD070502 Rule 402 Ltr to Lori Wrotenbery NMOCD.doc)

July 5, 2002

**NMOCD Rule 402 and Annual Gas Well
Shut-In Pressure Tests**

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Wrotenbery:

Exxon Mobil Corporation supports repeal of the current Rule 402 requirement to obtain annual shut-in pressures for gas wells in New Mexico. Most of the gas wells we operate have been producing for several years and the additional information which may be obtained from the annual shut-in pressures is minimal compared to the loss of production incurred. For some wells the production loss due to shut-in carries over for some time as the well cleans up to its pre-test rate. If complete elimination of this testing is not possible at this time, we would support filing shut-in pressure observations after any shut-in periods necessitated by other operational situations, changing the rule to allow operators to conduct the shut-in at any time during the year, and / or reducing the frequency of the any required testing.

Thank you for this opportunity to comment on Rule 402. If you have any questions, please call Bill Duncan at (713) 431-1019.

Very truly yours,

Roland L. Moreau
Regulatory/Safety/OIMS Manager

RLM/WTD:mb