

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1776
Order No. R-1510

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN ORDER PERMITTING
NINE OVERPRODUCED GAS WELLS IN
THE JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO TO COMPENSATE FOR
SUCH OVERPRODUCTION AT A LESSER
RATE THAN COMPLETE SHUT-IN IN
EXCEPTION TO ORDERS NOS. R-520
AND R-967

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6th day of October, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, are more than six times overproduced and are therefore subject to complete shut-in under the provisions of Orders Nos. R-520 and R-967:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.
Meyer A-29 Well No. 1, Unit O, Section 29
Meyer B-28 Well No. 1, Unit E, Section 28
State A-32 Well No. 4, Unit F, Section 32

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TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M.
Danciger A-8 Well No. 2, Unit P, Section 8
Stevens A-34 Well No. 1, Unit E, Section 34

TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.
Jack A-20 Well No. 4, Unit G, Section 20
Jack A-29 Well No. 3, Unit H, Section 29

TOWNSHIP 25 SOUTH, RANGE 36 EAST, N.M.P.M.
Wells B-1 Well No. 1, Unit A, Section 1
Ascarate D-24 Well No. 1, Unit J, Section 24

(3) That due to severe liquid problems, the applicant seeks an order permitting the overproduction to be made up at a lesser rate than complete shut-in in order to preclude permanent injury to the subject wells.

(4) That the applicant should be permitted to produce each of the subject wells at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

(5) That the curtailed rate of production to compensate for overproduction as hereinabove prescribed should be adequate to prevent permanent injury to the well or producing formation.

(6) That an administrative procedure should be established whereby the Secretary-Director of the Commission may authorize the operator to compensate for overproduction at a lesser rate than that provided in this order upon a satisfactory showing that the rate prescribed herein would result in permanent damage to the well and/or producing formation.

IT IS THEREFORE ORDERED:

(1) That the operator be and the same is hereby authorized to compensate for the overproduction of the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, by producing each of them at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.
Meyer A-29 Well No. 1, Unit O, Section 29
Meyer B-28 Well No. 1, Unit E, Section 28
State A-32 Well No. 4, Unit F, Section 32

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Wells B-1 Well No. 1, Unit A, Section 1
Ascarate D-24 Well No. 1, Unit J, Section 24

PROVIDED HOWEVER, That an administrative procedure be and the same is hereby established wherein the Secretary-Director is authorized to set the percentage of curtailment at a lesser rate than that herein prescribed upon a satisfactory showing by the operator that the rate for compensating for overproduction as set forth in this order would result in permanent damage to the well and/or producing formation.

(2) That the effective date of this order is November 1, 1959.

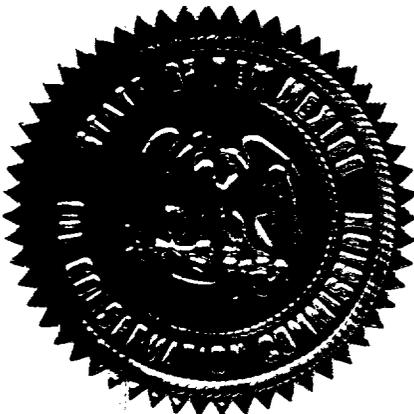
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



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