

**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. 2694
Order No. R-2404**

**APPLICATION OF SOUTHERN UNION PRODUCTION
COMPANY FOR AN AMENDMENT TO THE NORTHWEST
NEW MEXICO GAS PRORATION RULES AND REGULA-
TIONS.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, 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 31st day of December, 1962, 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 under the provisions of Order No. R-1670 as amended by Order No. R-2086, the Commission has ordered over-produced wells shut-in for extended periods of time in order to effect a balancing of accumulated overproduction in excess of previously assigned allowables.

(3) That the applicant, Southern Union Production Company, proposes that the Commission should allow wells shut-in for over-production to produce up to 500 MCF of gas each month during such shut-in periods in order to prevent lessors from terminating oil and gas leases because of non-production.

(4) That under the provisions of Order No. R-1670 as amended by Order No. R-2086, wells are shut-in because of over-production in order to protect correlative rights.

-2-

Case No. 2694

Order No. R-2404

(5) That the applicant has failed to establish that approval of the subject application would either prevent waste or protect correlative rights.

(6) That the applicant has failed to establish that approval of the subject application would be in the interest of conservation of oil or gas.

(7) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.


(2) That 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


TOM BOLACK, Chairman


E. S. WALKER, Member


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



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