

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 10377  
ORDER NO. R- 9585

**GAS ALLOWABLES FOR THE PRORATED GAS  
POOLS IN NEW MEXICO FOR OCTOBER, 1991  
THROUGH MARCH, 1992.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on August 29, 1991, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this \_\_\_\_\_ day of September, 1991 the Commission, a quorum being present and having considered the testimony, 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) This hearing was called for the purpose of accepting nominations and other evidence and information to assist in determining Oct. 91 - Mar. 92 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy and Chaves Counties in Southeast New Mexico and the other four prorated gas pools are in San Juan, Rio Arriba and Sandoval Counties in Northwest New Mexico.

(3) Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December, 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. The Oct. 91 - Mar. 92 allocation period will be the second under the amended rules.

(4) Average monthly allowables for Oct. 91 - Mar. 92 for each pool should be based on monthly average individual pool sales for Oct. 90 - Mar. 91, with administrative adjustments where appropriate.

(5) Oil Conservation Division personnel prepared Market Demand and Allowable Determination Schedules for the prorated gas pools in New Mexico. These contained preliminary allowable estimates for the Oct. 91 - Mar. 92 period and were developed in accordance with procedures set forth in Division Order R-8170-H, Rules 5(a)1 and 5(a)2. Producers, purchasers and transporters of gas were asked to review these preliminary allowables and to participate in the August 29, 1991 hearing by providing information which would assist in arriving at the final allowable assignments.

(6) Revised preliminary allowable estimates for each prorated pool were submitted at the hearing as OCD Exhibits 1 and 2. These estimates contained updated production data and differed slightly from the preliminary estimates which had been mailed out earlier.

(7) OCD Exhibit No. 3 was submitted to compare the proposed Oct. 1991 - Mar. 92 allowables to production and allowable volumes for Oct. 89 - Mar. 90 and Oct. 90 - Mar. 91.

(8) The OCD Director of Natural Gas Marketing submitted as Exhibit No. 6 a series of graphs in slide form which showed the following:

- (a) Statewide gas production from New Mexico has increased over the last three years from 781 BCF in 1988 to over 965 BCF in 1990. Through June, 1991, year-to-date production exceeds production for the same period in 1990.
- (b) The gas producing rate is growing faster in the northwest part of the state than in the southeast due to the increase in coal seam gas production.
- (c) Statewide gas production is expected to increase during the Oct. 91 - Mar. 92 allocation period compared to Oct. 90 - Mar. 91.
- (d) Although total gas production in the northwest portion of the state has increased and is expected to continue to increase, conventional gas production has decreased since January, 1990.

(9) Hallwood Petroleum, Inc. presented exhibits and testimony to support an increase in allowable for the Catclaw Draw-Morrow Gas Pool. An increase in the monthly F1 factor for the Oct. 1991 - Mar. 1992 allocation period from 34,265, as proposed in OCD Exhibit No. 1 to 127,550 was requested. The following information was submitted to justify the increase:

- (a) The gas proration unit which contains Hallwood's Catclaw Draw Unit Well Nos. 1Y and 13 was shut-in 44 percent of the time from January, 1990 through March, 1991. The unit was over-produced 300,014 MCF as of March 31, 1991. During the above period, daily allowable averaged 764 MCF per day. Producing capability for the proration unit is 1,600 MCF per day.
- (b) Hallwood's Catclaw Draw Unit No. 9 has been worked over recently and is currently producing 5,100 MCF per day. Since May 22, 1991, the well has produced 342,000 MCF. Calculated absolute open-flow for the well was 17,658 MCF per day.
- (c) Hallwood submitted a letter from Gas Company of New Mexico indicating their willingness to purchase additional gas from the pool. Letters of support for the increased allowable from the other producers in the pool, Fasken, Hondo and Texaco were also submitted.

(10) Hallwood's information supports an increase in the allowable for the Catclaw Draw for Oct. 91 - Mar. 92. The proposed increase in F1 to 127,550 (over 4 MMCF per day for a gas proration unit with an acreage factor of one) would assign allowables in excess of the indicated producing capacity to all wells except Well No. 9 and therefore appears excessive. Allowables will by definition restrict production from the highest capability wells. The producing capacity of Well No. 9 may be expected to decline over the next few months. An F1 of 75,000 (2.46 MMCF per day) together with the overproduction limit (222,888 MCF) should provide sufficient opportunity for operators to produce their non-marginal wells. An adjustment of 95,470 (including the 14,000 adjustment) proposed by OCD in Exhibit No. 1 should be added in order to increase total monthly allowable to 242,288 MCF and increase the F1 factor to 75,000.

(11) Marathon Oil Company provided exhibits and testimony in support of an allowable increase in the Blinbry Gas Pool. Marathon wants to increase total pool allowable from 467,669 MCF per month (as proposed in OCD Exhibit No. 1) to 697,959 MCF per month for the Oct. 91 - Mar. 92 period. This would increase the monthly F1 factor from 30,746 to 50,308; the daily allowable for a gas proration unit with an acreage factor of one would increase from approximately 1 MMCF per day to 1.65 MMCF per day. Marathon based their request on the following information:

- (a) Tests from three Marathon wells in the pool were submitted showing daily per-well producing capabilities of between 1.5 and 1.9 MMCF per day.
- (b) A graph of production and allowables for Marathon's non-marginal wells shows the wells with an overproduced status for the period from January, 1989 through June, 1991. Since January, 1991, production from the wells has exceeded allowable.
- (c) Total sales from the pool (marginal and non-marginal wells of all operators) have exceeded allowables since January, 1991.
- (d) Marathon's witness testified that all operators in the Blinebry Pool had been contacted and that all except John Hendrix are in agreement with the requested increase. Marathon testified that John Hendrix preferred the Oil Conservation Division's preliminary allowable. No operator or interest owner appeared at the hearing in opposition to the Marathon request.
- (e) A Marathon marketing witness testified that there is plenty of demand on the spot market for the additional gas. The witness also testified that Northern Natural Gas would welcome the additional gas into their system.

(12) Marathon's evidence supports a daily allowable increase. Increase to approximately 1.25 MMCF per day for a Blinebry well with an acreage factor of one will allow the non-marginal wells to produce at higher rates and help determine if further increases are justified for future allocation periods. An adjustment of 152,320 (including the 73,000 adjustment proposed by OCD in Exhibit No. 1) should be added in order to increase total monthly pool allowable to 566,989 MCF and increase the F1 factor to 38,125 (1.25 MMCF per day).

(13) Chevron USA presented exhibits and testimony in strong support of the minimum allowable rates which have been established for the Eumont and Jalmat Pools. They said the minimum allowables have provided a reliable basis for planning drilling and remedial operations. Chevron expects to increase the number of producing wells in the Eumont Pool from 80 to 98 by October, 1991. Chevron's production from the Eumont Pool is expected to increase from approximately 15 MMCF to 22 MMCF per day by December, 1991.

(14) An Amoco witness recommended slight reductions in the OCD preliminary allowables for the Northwest New Mexico pools as follows:

Basin Dakota	(66,613)
Blanco Mesaverde	(16,554)
Blanco Pictured Cliffs	(8,675)
Tapacito	(3,290)

The non-marginal pool balances for the last two years and a comparison of production to allowables for April and May, 1991 were submitted to support the recommended reductions. Because allowables are based on production for the prior like period, pool balancing is not a major factor.

(15) A Unocal witness submitted data in support of the OCD revised preliminary allowable estimates for the Northwest pools. Unocal expects that pipeline constraints due to line construction over the next several months will curtail production through the Oct. 91 - Mar. 92 period and that the Oil Conservation Division allowable estimates will be adequate. Unocal is not in agreement with the reductions proposed by Amoco since they are based on April and May, 1991 production information. Unocal reduces production volumes during the summer allocation period to save allowable for the winter months.

(16) Allowables for the four Northwest pools should be consistent with the levels shown on OCD Exhibit No. 2. OCD Exhibit No. 3 shows that Oct. 91 - Mar. 92 allowables will be lower than the Oct. 89 - Mar. 90 and Oct. 90 - Mar. 91 periods. Testimony by the Oil Conservation Division Gas Marketing Director, Amoco and Unocal indicates that OCD Exhibit No. 2 allowables should be adequate.

(17) Allowables for the Catclaw Draw and Blinebry Pools should be established as set forth in Finding Paragraph Nos. (10) and (12) above. Allowables assigned to other Southeast New Mexico Pools should be consistent with the levels shown in OCD Exhibit No. 1.

(18) Under the provisions of Order Nos. R-8170-E and R-9463, the Burton Flat-Morrow Pool is unprorated until October, 1991. A hearing has been scheduled for September 19, 1991 to evaluate the effects of the above action and determine if the pool should remain unprorated. The order to be issued after the September 19, 1991 hearing will determine if the Burton Flat-Morrow allowables shown in Exhibit No. 1 and to be shown in the Oct. 91 - Mar. 92 proration schedule along with cumulative status are actual limitations on production and sales or merely for informational purposes.

**IT IS THEREFORE ORDERED THAT:**

(1) OCD Exhibit No. 1 shall be amended by adding a monthly allowable adjustment of 95,470 MCF to the Catclaw Draw-Morrow Gas Pool. This adjustment includes the 14,000 MCF adjustment originally proposed in OCD Exhibit No. 1.

(2) OCD Exhibit No. 1 shall be further amended by adding a monthly allowable adjustment of 152,320 MCF to the Blinebry Gas Pool. This adjustment includes the 73,000 MCF adjustment originally proposed in OCD Exhibit No. 1.

(3) OCD Exhibit No. 1, as amended by ordering Paragraphs Nos. (1) and (2) above, and OCD Exhibit No. 2 are attached to and made a part of this order and shall be the basis for allowable assignments in the prorated gas pools in New Mexico for the months of Oct. 91 - Mar. 92. Allowables shall be assigned as follows:

- (a) Each marginal gas proration unit (GPU) shall be assigned a monthly allowable equal to the average monthly amount of gas produced by such GPU during the period April, 1991 through June, 1991.
- (b) Each non-marginal GPU shall be assigned a monthly allowable using the appropriate acreage allocation factor (F1) and the appropriate acreage times deliverability allocation factor (F2), if applicable, for each pool as shown on OCD Exhibit Nos. 1 and 2 attached to this order.

(4) The Oil Conservation Division is hereby directed to prepare proration schedules for the Oct. 91 - Mar. 92 allocation period in accordance with this order and other Division Rules, Regulations and Orders. Copies of this order shall be included in each proration schedule.

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

*Case No. 10377*

*Order No. R-\_\_\_\_\_*

*Page No. 7*

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

WILLIAM W. WEISS, Member

GARY CARLSON, Member

WILLIAM J. LEMAY, Chairman and  
Secretary

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*CASE NO. 10377*  
*ORDER NO. R-9586*

**GAS ALLOWABLES FOR THE PRORATED GAS  
POOLS IN NEW MEXICO FOR OCTOBER, 1991  
THROUGH MARCH, 1992.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on August 29, 1991, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of October, 1991 the Commission, a quorum being present and having considered the testimony, 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) This hearing was called for the purpose of accepting nominations and other evidence and information to assist in determining October, 1991 through March, 1992 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy and Chaves Counties in Southeast New Mexico and the other four prorated gas pools are in San Juan, Rio Arriba and Sandoval Counties in Northwest New Mexico.

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(4) Average monthly allowables for Oct. 91 - Mar. 92 for each pool should be based on monthly average individual pool sales for Oct. 90 - Mar. 91, with administrative adjustments where appropriate.

(5) Oil Conservation Division (OCD) personnel prepared Market Demand and Allowable Determination Schedules for the prorated gas pools in New Mexico. These contained preliminary allowable estimates for the Oct. 91 - Mar. 92 period and were developed in accordance with procedures set forth in Division Order R-8170-H, Rules 5(a)1 and 5(a)2. Producers, purchasers and transporters of gas were asked to review these preliminary allowables and to participate in the August 29, 1991 hearing by providing information which would assist in arriving at the final allowable assignments.

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(8) The OCD Director of Natural Gas Marketing submitted at the time of the hearing as Exhibit No. 6 a series of graphs in slide form which showed the following:

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(17) Allowables for the Catclaw Draw and Blinebry Pools should be established as set forth in Finding Paragraph Nos. (10) and (12) above. Allowables assigned to other Southeast New Mexico Pools should be consistent with the levels shown in OCD Exhibit No. 1.

(18) Under the provisions of Order Nos. R-8170-E and R-9463, the Burton Flat-Morrow Pool is unprorated until October, 1991. A hearing has been scheduled for September 19, 1991 to evaluate the effects of the above action and determine if the pool should remain unprorated.

IT IS THEREFORE ORDERED THAT:

(1) OCD Exhibit No. 1 submitted at the time of the hearing shall be amended by adding a monthly allowable adjustment of 95,470 MCF to the Catclaw Draw-Morrow Gas Pool. This adjustment includes the 14,000 MCF adjustment originally proposed in said OCD Exhibit No. 1.

(2) Said OCD Exhibit No. 1 shall be further amended by adding a monthly allowable adjustment of 152,320 MCF to the Blinebry Gas Pool. This adjustment includes the 73,000 MCF adjustment originally proposed in said OCD Exhibit No. 1.

(3) OCD Exhibit No. 1, as amended by Decretory Paragraphs Nos. (1) and (2) above, and OCD Exhibit No. 2 are attached hereto as Exhibits "A" and "B", respectively, and shall be made a part hereof; further, said Exhibits shall be the basis for allowable assignments in the prorated gas pools in New Mexico for the months of Oct. 91 - Mar. 92. Allowables shall be assigned as follows:

- (a) Each marginal gas proration unit (GPU) shall be assigned a monthly allowable equal to the average monthly amount of gas produced by such GPU during the period April, 1991 through June, 1991.
- (b) Each non-marginal GPU shall be assigned a monthly allowable using the appropriate acreage allocation factor (F1) and the appropriate acreage times deliverability allocation factor (F2), if applicable, for each pool as shown on OCD Exhibit Nos. 1 and 2 attached to this order.

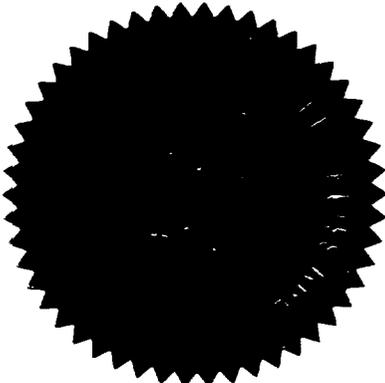
(4) The Oil Conservation Division is hereby directed to prepare proration schedules for the Oct. 91 - Mar. 92 allocation period in accordance with this order and other Division Rules, Regulations and Orders. Copies of this order shall be included in each proration schedule.

Case No. 10377  
Order No. R-9586  
Page No. 7

(5) 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



*Bill Weiss*

WILLIAM W. WEISS, Member

*G Carlson*

GARY CARLSON, Member

*William J. Lemay*

WILLIAM J. LEMAY, Chairman

SEAL

Exhibit "A"  
 Case No. 10377  
 Order No. R-9586

ENGP216AT-ENGP216A-01 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE  
 RUN-DATE 09/09/91  
 RUN-TIME: 00:13:57  
 PRORATED GAS POOLS - SOUTHEAST NEW MEXICO  
 FOR OCT 91 THRU MAR 92

	ATOKA PENN	BLINEBRY	BUFFALO BURTON FLAT	CARLSBAD	CATCLAW DRAW	ELMONT INDIAN BASIN	INDIAN BASIN	JALPAT	JUSTIS GL	TUBB		
	VALLEY PENN	MORRON	MORRON	MORRON	MORRON	MORRON	UPPER PENN					
( 1 ) AVERAGE MONTHLY POOL SALES OCT90-MAR91 ALL VOLUME ARE IN MCF.	113,401	414,669	214,667	436,754	237,631	146,818	2,121,783	196,828	3,229,032	884,356	39,436	231,773
( 2 ) TOTAL NOMINATIONS AVG MONTH VOL.	21,768	21,768	407,167	131,173	3,600,000	126,500	22,669					9,112
( 3 ) ADJUSTMENTS.	27,000	152,320	56,000	95,470	204,616	4,000	328,000	319,475	6,000	35,000		
( 4 ) MONTHLY POOL ALLOWABLE OCT91-MAR92 (LINE 1 + LINE 3.)	140,401	566,989	214,667	436,754	293,631	242,288	2,423,399	200,828	3,557,032	1,203,831	45,436	266,773
( 5 ) MONTHLY MARGINAL POOL ALLOWABLE OCT91-MAR92	32,121	157,145	118,757	183,645	213,958	92,288	1,385,423	75,247	2,542,064	801,231	14,064	154,974
( 6 ) MONTHLY NON-MARGINAL POOL ALLOWABLES OCT91-MAR92 LINE 4 - LINE 5	108,280	409,844	95,910	253,109	79,673	150,000	1,037,976	125,581	1,014,968	402,600	31,372	111,799
( 7 ) NUMBER OF NON-MARGINAL ACREAGE FACTORS	3.42	10.75	2.00	6.88	3.97	2.00	56.72	.86	5.49	22.00	9.00	11.00
( 8 ) MONTHLY ACREAGE ALLOCATE FACTOR OCT91-MAR92 (LN 6 / LN 7)	31.660	39,125	47,955	36,789	20,068	75,000	18,300	146,024	184,875	18,300	3,485	10,163

F1 FACTORS FOR OTHER POOLS  
 BURTON FLAT STRAHN F1 = 10,000  
 MONUMENT MEXEE ELLEN F1 = 25,000

Exhibit "B"  
Case No. 10377  
Order No. R-9586

ENGP216AT-ENGP216A-01  
RUN-TIME: 08:13:57

MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE  
PRORATED GAS POOLS - NORTHWEST NEW MEXICO  
FOR OCT 91 THRU MAR 92

	BASIN DAKOTA	BLANCO MESA VERDE	BLANCO P.C. SOUTH	TAPACITO
( 1 ) AVERAGE MONTHLY POOL SALES OCT90-MAR91 ALL VOLUME ARE IN MCF.	8,033,542	13,999,619	1,185,220	204,195
( 2 ) TOTAL NOMINATIONS AVG MONTH VOL.	795,852	555,611	56,094	41,426
( 3 ) ADJUSTMENTS.		46,000		
( 4 ) MONTHLY POOL ALLOWABLE OCT91-MAR92 ( LINE 1 + LINE 3.)	8,033,542	14,045,619	1,185,220	204,195
( 5 ) MONTHLY MARGINAL POOL ALLOWABLE OCT91-MAR92	4,180,677	6,597,257	515,312	81,801
( 6 ) MONTHLY NON-MARGINAL POOL ALLOWABLES OCT91-MAR92 LINE 4 - LINE 5	3,852,865	7,448,362	669,908	122,394
( 7 ) NUMBER OF NON-MARGINAL ACREAGE FACTORS	433.65	599.93	456.61	91.74
( 8 ) NUMBER OF NON-MARGINAL ACREAGE TIMES DELIVERABILITY FACTORS	206,913	442,938	27,586	9,304
( 9 ) MONTHLY ACREAGE ALLOCATE FACTOR OCT91-MAR92	5,330	3,103	366	333
(10) MONTHLY ACREAGE TIMES DELIVERABILITY ALLOCATE FACTOR OCT91-MAR92	7.44	12.61	18.21	9.86

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. 10377  
Order No. R-9586-A

APPLICATION OF HALLWOOD PETROLEUM, INC.  
FOR RECONSIDERATION OF GAS ALLOWABLES IN  
THE CATCLAW DRAW-MORROW GAS POOL IN EDDY  
COUNTY, NEW MEXICO FOR THE PRORATION PERIOD  
OCTOBER 1, 1991 THROUGH MARCH 31, 1992.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9:00 a.m. on November 14, 1991, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 31st day of December, 1991, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said rehearing, 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) Order No. R-9586 entered by the Commission on October 3, 1991, established gas allowables for the Catclaw Draw-Morrow Gas Pool for the period October 1, 1991 through March 31, 1992.

(3) The applicant, Hallwood Petroleum, Inc., seeks to modify that portion of Commission Order R-9568 which establishes gas allowables for the Catclaw Draw Morrow Gas Pool.

(4) There are 19 proration units in the Catclaw Draw-Morrow Pool consisting of 17 marginal units and two nonmarginal units.

(5) Applicant requested an increase in the O/P (overproduction limit) from 222,880 MCF to 450,000 MCF effective October 1, 1991. This increase request was based upon workovers and recompletion of Hallwood's Morrow wells, mainly the Catclaw Draw No. 9 well in Section 35 which occurred in May 1991, too late to be a factor in the establishment of the current overproduction limit. Applicant testified that their request is an effort to "short circuit" the proration process by using more recent information in establishing overproduction limits.

FINDING: The overproduction limit will be increased April 1, 1992 based upon current proration policies and processes. Any attempt to "short circuit" the system should focus on an application to change the proration system through the hearing process.

(6) Applicant requested an increase in the F1 factor to at least 140,000 MCFG per month effective October 1, 1991 from the current 75,000 MCFG per month. Evidence for the increase was production data, flow rates and pressures from Hallwood's Catclaw Draw Unit No. 9 which showed an ability to sustain a flow rate of approximately 5 million cubic feet of gas per day. After producing 600 million cubic feet there was a 6.6% pressure decline. This would be the only nonmarginal well in the Catclaw Draw-Morrow Pool if the applicant's request was granted.

FINDING: Despite evidence of a sustained flow rate, the pressure declined. The pressured decline will be greater after six months of full nonmarginal allowable gas production from the No. 9 well. To prevent waste, the F1 factor should be reduced from the requested 140,000 MCFG per month to 127,000 MCFG per month to accommodate future pressure decline in the No. 9 well.

(7) No one appeared at the hearing to object to the requested increase in gas allowable and other operators in the Pool submitted letters supporting Hallwood's request for increased gas allowables.

(8) The applicant requested changes in the October 1991 to March 1992 pool allowable and overproduction limit to reflect additional pool capacity brought on by the workover recompletion of only one well, the Catclaw Draw No. 9.

FINDING: This additional productive capacity would eventually be reflected in higher allowables in subsequent proration periods but temporary relief should be granted so as to provide the applicant with increased flexibility in managing their current gas supply. Since the applicant is requesting an allowable equal to the productive capacity of their best gas well, a more appropriate forum for such relief would be an application to deprorate the Catclaw Draw Morrow Pool.

(9) The evidence indicates that deproportion of the Catclaw Draw-Morrow Gas Pool should be the subject of the applicant's request for a Division hearing since deproportion would provide a permanent solution to the applicant's problem.

(10) By granting the applicant temporary relief to capacity restraints on their best well, waste will be prevented and correlative rights of all interest owners will be protected.

IT IS THEREFORE ORDERED THAT:

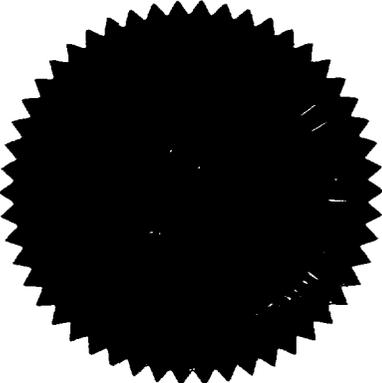
(1) Order No. R-9586 be changed to reflect an increase in the F1 factor for wells in the Catclaw Draw-Morrow Pool from the present 75,000 to 127,000 Mcf per month, said increase to be effective October 1, 1991, and apply for the six-month proration period from October 1, 1991 through March 31, 1992.

(2) All other parts of said Order No. R-9586 shall remain as ordered.

(3) Jurisdiction of this cause is hereby 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



*Bill Weiss*

WILLIAM W. WEISS, Member

*Jami Bailey*

JAMI BAILEY, Member

*William J. Lemay*

WILLIAM J. LEMAY, Chairman

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