

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 8463  
Order No. R-7982

APPLICATION OF DAVID FASKEN FOR TERMINATION  
OF PRORATIONING IN THE BURTON FLAT-MORROW  
GAS POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 30, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of July, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, David Fasken, seeks an order terminating gas prorotioning in the Burton Flat-Morrow Gas Pool located in portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, NMPM, Eddy County, New Mexico, and to also cancel all cumulative over and under production within said pool.
- (3) At the time of the hearing Cities Service Oil and Gas Corporation which operates approximately 18 wells in the subject pool, appeared and objected to terminating prorotioning in said pool.
- (4) The Burton Flat-Morrow Gas Pool was created by Division Order No. R-4486, effective March 1, 1973, for the production of gas from the Morrow formation.

(5) The horizontal limits of said pool have been extended several times by order of the Division.

(6) Gas prorationing was instituted in the Burton Flat-Morrow Gas Pool by Division Order No. R-4706 (later changed to Order No. R-1670-P), dated January 18, 1974, issued in Division Case No. 5111.

(7) Gas prorationing in the Burton Flat-Morrow Gas Pool was established on the following bases:

(a) For the purpose of protecting correlative rights;

(b) There was more than one pipeline purchaser purchasing gas produced from pool wells;

(c) There was more than one producer of gas;

(d) The total deliverability of the producing wells in the pool exceeded the reasonable market demand for gas from said pool, and

(e) The pool contains several wells with fractional acreage factors.

(8) At the time of the hearing on this case evidence was presented that:

(a) There are ten pipeline purchasers taking production from the subject pool;

(b) There are 71 wells in the subject pool with some 26 different operators;

(c) There are 59 marginal wells in the pool;

(d) There are 6 over-produced non-marginal wells and 6 under-produced non-marginal wells in the pool;

(e) The entire pool is over-produced in terms of the pool allowable.

(9) The applicant failed to provide sufficient evidence to support this application and failed to prove that:

(a) The elimination of prorationing would not adversely affect the correlative rights of all the owners of the 59 marginal wells in the subject pool;

(b) All 10 pipeline purchasers would continue to take gas in a manner which would protect correlative rights in the absence of prorationing in the subject pool.

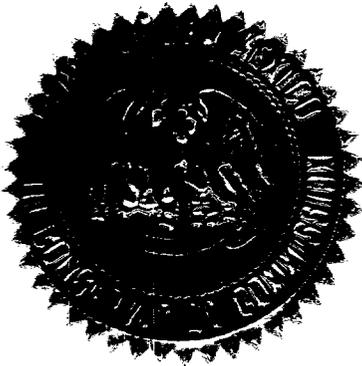
(10) Those conditions which precipitated gas prorationing in the Burton Flat-Morrow Gas Pool are still extant; there still exists a need for gas prorationing to continue uninterrupted in the Burton Flat-Morrow Gas Pool; and the application should therefore be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of David Faskin for an order terminating gas prorationing in the Burton Flat-Morrow Pool located in portions of Townships 20 and 21 South, Ranges 26, 27 and 28 East, NMPM, Eddy County, New Mexico, and to also cancel all cumulative over and under production within said pool, is hereby denied.

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

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



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*R. L. Stamets*  
R. L. STAMETS  
Director