

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
AMEND ORDER NO. R-8170, AS
AMENDED.

CASE NO. 9050
Order No. R-8170-B

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 3, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of December, 1986, the Division Director, having considered 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) RULE 9(b) under part "B", Nominations and Proration Schedule, of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, dated March 28, 1986, and issued in Commission Case No. 8749, provides for a change of the deliverability assigned to a well only after that well has experienced an increase in production due to recompletion or workover operations.

(3) There is a need to expand this rule to include provisions for assigning a revised deliverability to a well for allowable purposes when such well has experienced an increase in production for reasons other than recompletion or workover.

(4) Said RULE 9(b) should be amended to include a provision whereby a change in a well's deliverability due to retest after any activity, other than routine maintenance, would become effective either the date of redelivery after such activity, (such date to be shown on the sundry notice, if required, and on the remarks portion of the Form C-122-A) or 90 days prior to the receipt date of the appropriate deliverability test form (as is presently provided for in Rule 9(b)(2)).

(5) To amend said rule in the aforesaid manner is in the interest of conservation, may prevent waste, and will protect rather than impair correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) RULE 9(b) under part "B", Nominations and Proration Schedule, of the General Rules of the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, dated March 28, 1986, and issued in Commission Case No. 8749, is hereby amended to read in its entirety as follows:

"RULE 9(b) DELIVERABILITY RETESTS: A change in a well's deliverability following a retest after any activity, other than routine maintenance, shall become effective the later of:

- (1) the date of redelivery after such activity, such date to be indicated on the sundry notice (if a sundry notice is required) and on the remarks portion of the Form C-122-A; or,
- (2) 90 days prior to the date of receipt of the appropriate deliverability test report form at the appropriate Division district office.

A change in a well's deliverability due to any other reason shall become effective on the first day of the month following the month during which the retest is approved in the appropriate Division district office."

(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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director