

*Entered August 7, 1972*  
*D. B.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-37-A & 38

GAS PRORATION ORDER FOR PERIOD SEPTEMBER 1, 1972  
THROUGH DECEMBER 31, 1973

This cause came on for public hearing by the Commission's Examiner, Daniel S. Nutter, at Santa Fe, New Mexico, on July 26, 1972, at 9 a.m., pursuant to legal notice for the purpose of setting the allowable production of gas from the following two gas pools in Eddy County, New Mexico, for the sixteen-month period, September 1, 1972, through December 31, 1973.

South Carlsbad-Strawn  
South Carlsbad-Morrow

NOW, on this 7th day of August, 1972, the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and the recommendations of the Examiner, and being otherwise fully advised in the premises,

FINDS:

(1) That the total nomination of purchasers of gas produced from the above-listed two gas pools for the period, September 1, 1972, through December 31, 1973, is 31,866,500 Mcf. The individual pool nominations are as follows:

South Carlsbad-Strawn	9,009,500 Mcf
South Carlsbad-Morrow	22,857,000 Mcf

(2) That the potential producing capacity of all gas wells in the two gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed two gas pools should be limited, allocated, and distributed during the sixteen-month proration period commencing September 1, 1972.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the two gas pools listed above, can produce a total of 31,866,500 Mcf without causing waste within the sixteen-month proration period commencing September 1, 1972, and an allocation based upon such production would be reasonable and would protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the sixteen-month proration period commencing September 1, 1972, the total allowable production to be assigned

-2-

Order No. AG-37-A & 38

the two allocated gas pools in Eddy County, New Mexico, is as follows:

South Carlsbad-Strawn	9,009,500 Mcf
South Carlsbad-Morrow	22,857,000 Mcf

(2) That the allocation hereby set for said sixteen-month proration period in the two allocated pools in Eddy County, New Mexico, shall be in accordance with the Commission Rules, Regulations, and Orders.

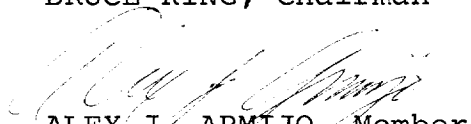
(3) That the total allowable production for each pool as set forth shall be allocated on a monthly basis and shall be adjusted monthly to meet changes in market conditions as reflected by purchasers' supplemental nominations and actual gas production, in accordance with the Commission Rules, Regulations, and Orders.


The foregoing order shall remain effective until further order of the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

dr/