Entered September 20, 1705

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

ORDER NO. AG-N-40-7

SUPPLEMENTAL GAS PRORATION ORDER FOR THE MONTH OF OCTOBER, 1978

This cause came on for public hearing before the Division's Examiner, Richard L. Stamets, at Santa Fe, New Mexico, at 9 a.m. on September 13, 1978, pursuant to legal notice for the purpose of setting the allowable production of gas from the following four gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for the month of October, 1978:

Basin-Dakota, Blanco-Mesaverde, Blanco-Pictured Cliffs, South, and Tapacito-Pictured Cliffs.

NOW, on this <u>20th</u> day of September, 1978, the Division Director, having considered the supplemental 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 four gas pools for the month of October, 1978, is 38,610,911 Mcf. The individual pool nominations are as follows:

| Basin-Dakota | 11,519,211 Mc | f |
|-------------------------------|---------------|---|
| Blanco-Mesaverde | 24,304,200 Mc | f |
| Blanco-Pictured Cliffs, South | 2,257,700 Mc | f |
| Tapacito-Pictured Cliffs | 529,800 Mc | f |

- (2) That the potential producing capacity of all gas wells in the four 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 four gas pools should be limited, allocated, and distributed during the month of October, 1978.
- (3) That all the producing gas wells, together with the expected completed or recompleted wells in the four gas pools listed above, can produce a total of 38,610,911 Mcf without causing waste during the month of October, 1978, and an allocation based upon such production would be reasonable and would protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of October, 1978, the allowable production to be assigned the four allocated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, is as follows:

| Basin-Dakota | 11,519,211 | Mcf |
|-------------------------------|------------------|-----|
| Blanco-Mesaverde | 24,304,200 | Mcf |
| Blanco-Pictured Cliffs, South | 2,257,700 | Mcf |
| Tapacito-Pictured Cliffs | 529 , 800 | Mcf |

- (2) That the allocation hereby set for the month of October, 1978, in the four allocated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with the Division Rules, Regulations, and Orders.
- (3) That a proration schedule, duly prepared by the Division and thereafter adopted for the month of October, 1978, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the four gas pools listed above for the period stated, in accordance with the Division Rules, Regulations, and Orders.

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

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

> STATE OF NEW MEXICO OIL CONSERVATION DEVISION

JOE D. RAMÉY,

Director

SEAL