

Entered Supplement 11/1/57
A.R.R.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

Consolidated (CASE NO. 1295
(CASE NO. 1296
Order No. R-1044

APPLICATION OF SOUTHERN UNION
GAS COMPANY AND SOUTHERN UNION
GATHERING COMPANY FOR THE
SUSPENSION FOR A PERIOD OF NOT
LESS THAN SIX MONTHS OF THE
CANCELLATION OF UNDERPRODUCTION
IN THE SIX PRORATED GAS POOLS
IN SAN JUAN AND RIO ARRIBA
COUNTIES, NEW MEXICO.

APPLICATION OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO UPON ITS
OWN MOTION FOR THE SUSPENSION FOR A
PERIOD OF NOT LESS THAN SIX MONTHS
OF THE OVERAGE SHUT-IN PROVISIONS
OF THE SPECIAL RULES AND REGULATIONS
FOR THE SIX PRORATED GAS POOLS IN SAN
JUAN AND RIO ARRIBA COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
August 15, 1957, at Santa Fe, New Mexico, before the Oil Conserva-
tion Commission of New Mexico, hereinafter referred to as the "Com-
mission."

NOW, on this 9th day of September, 1957, the Commission,
a quorum being present, having considered the testimony and evidence
adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this case and the subject
matter thereof.

(2) That Cases 1295 and 1296 were consolidated for
purposes of hearing and order by agreement between all the interest-
ed parties therein.

(3) That there are a great number of wells to which
Southern Union Gas Company and Southern Union Gathering Company
are connected in the Aztec-Pictured Cliffs, Fulcher Kutz-Pictured
Cliffs, West Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs,

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Ballard-Pictured Cliffs, and the Blanco Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico, which wells have accumulated large volumes of gas allowables which have remained unproduced and are subject to cancellation as of August 1, 1957.

(4) That the accumulation of underproduction has been due to the rapid increase in the number of gas wells on acreage under contract to Southern Union Gas Company and Southern Union Gathering Company and the increased demand for gas by the other pipelines in the affected pools.

(5) That Southern Union Gas Company and Southern Union Gathering Company have made application to the Federal Power Commission for authority to sell large volumes of gas to another pipeline in the area which authority, if granted, will enable Southern Union Gas Company and Southern Union Gathering Company to produce all or a large portion of the accumulated underproduction which is presently subject to cancellation.

(6) That unless the cancellation of underproduction is suspended the affected operators will be denied the opportunity to produce their fair share of the gas reserves in the aforementioned prorated gas pools.

(7) That all other operators in said gas pool should have the same opportunity to produce their accumulated underproduction which is subject to cancellation August 1, 1957.

(8) That the overage shut-in provisions of the Special Rules and Regulations for each of the above-named prorated gas pools, should also be suspended in order to enable the affected gas transporters to supply the market demand for gas from said pools; provided however, that any well which is overproduced an amount equalling six times its monthly allowable should be shut in during that month and each succeeding month until the well is overproduced less than six times its current monthly allowable.

(9) That the period of suspension should terminate January 31, 1958.

IT IS THEREFORE ORDERED:


(1) That the provisions of Rules 6 and 7 of Order R-128-D and Rules 11 and 12 of Orders R-565-C, R-566-D and R-846, be and the same are hereby suspended for a period of six months, commencing August 1, 1957, and ending January 31, 1958; provided however, that any well which is overproduced an amount equalling six times its monthly allowable shall be shut in during that month and each succeeding month until the well is overproduced less than six times its current monthly allowable.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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

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