Entered Scher 31, 1937

#### 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:

> CASE NO. 1323 Order No. R-1081

APPLICATION OF THE OIL CONSERVATION COMMISSION OF NEW MEXICO UPON ITS OWN MOTION FOR AN ORDER REVISING RULE 803 OF THE COMMISSION RULES AND REGULATIONS CONCERNING THE AUTHORIZATION OF LIQUID HYDROCARBON PRODUCTION FROM GAS WELLS IN THE STATE OF NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 17, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this  $39^{th}$  day of October, 1957, the Commission, a quorum being present, having considered the 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 cause and the subject matter thereof.

(2) That Rule 803 of the Commission Rules and Regulations should be revised to eliminate the necessity of individually listing in the Oil Proration Schedule gas wells which produce liquid hydrocarbons incidental to the production of gas.

# IT IS THEREFORE ORDERED:

(1) That Rule 803 of the Commission Rules and Regulations be and the same is hereby revised to read as follows:

### "RULE 803. PRODUCTION OF LIQUID HYDROCARBONS FROM GAS WELLS

All liquid hydrocarbons produced incidental to the authorized production of gas from a well classified by the Commission as a gas well shall, for all purposes, be legal production.

For purposes of this rule, all gas produced from a gas well shall be considered to be authorized production with the following exceptions: -2-Case No. 1323 Order No. R-1081

> (1) When the well is being produced without an approved Form C-110, designating the gas transporter and the oil or condensate transporter for said well.

(2) When the well has been directed to be shut-in by the Commission.

In the event a gas well is directed to be shut-in by the Commission, both the gas transporter and the oil transporter named on the well's Form C-110 shall be immediately notified of such fact."

(2) That this order shall become effective December 1, 1957.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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EDWIN L. MECHEM, Chairman

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MURRAY E. MORGAN, Member

A. Perter, L.

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

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