

*Entered November 2, 1959
A.P.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1780
Order No. R-1512

APPLICATION OF THE HUSKY OIL
COMPANY FOR AN ORDER PERMITTING
ONE OVERPRODUCED GAS WELL IN THE
JALMAT GAS POOL, LEA COUNTY, NEW
MEXICO, TO COMPENSATE FOR SUCH
OVERPRODUCTION AT A LESSER RATE
THAN COMPLETE SHUT-IN IN EXCEP-
TION TO ORDERS NOS. R-520 AND
R-967

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of October, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 the Montecito Woolworth Well No. 2, located in Unit M, Section 33, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is more than six times overproduced and is therefore subject to complete shut-in under the provisions of Orders Nos. R-520 and R-967.

(3) That due to severe liquid problems, the applicant seeks an order permitting the overproduction to be made up at a lesser rate than complete shut-in in order to preclude permanent injury to the subject well.

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(4) That the applicant should be permitted to produce the subject well at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

(5) That the curtailed rate of production to compensate for overproduction as hereinabove prescribed should be adequate to prevent permanent injury to the well or producing formation.

(6) That an administrative procedure should be established whereby the Secretary-Director of the Commission may authorize the operator to compensate for overproduction at a lesser rate than that provided in this order upon a satisfactory showing that the rate prescribed herein would result in permanent damage to the well and/or producing formation.

IT IS THEREFORE ORDERED:

(1) That the operator be and the same is hereby authorized to compensate for the overproduction of the Montecito Woolworth Well No. 2, a Jalmat gas well located in Unit M, Section 33, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, by producing it at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

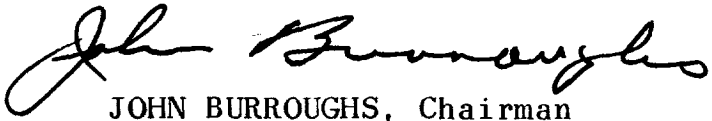
PROVIDED HOWEVER, That an administrative procedure be and the same is hereby established wherein the Secretary-Director is authorized to set the percentage of curtailment at a lesser rate than that herein prescribed upon a satisfactory showing by the operator that the rate for compensating for overproduction as set forth in this order would result in permanent damage to the well and/or producing formation.

(2) That the effective date of this order is November 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

S E A L

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