

Entered February 9, 1966

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3373
Order No. R-3036

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO CONSIDER AMENDMENT OF RULE 301 OF THE COM-
MISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
January 26, 1966, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 9th day of February, 1966, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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 301 of the Commission Rules and Regulations
should be amended to authorize the Secretary-Director to exempt
pools from the annual gas-oil ratio test requirements and to order
annual oil production tests in lieu of gas-oil ratio tests.

(3) That adoption of the proposed amendment to Rule 301
of the Commission Rules and Regulations will enable the Commis-
sion to more efficiently and effectively administer the laws of
the State of New Mexico concerning the prevention of waste and the
protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That the name of Rule 301 of the Commission Rules and
Regulations is hereby changed to "GAS-OIL RATIO AND PRODUCTION

-2-

CASE No. 3373

Order No. R-3036

TESTS" and said rule is hereby amended by addition of the following paragraphs:

"(e) The Secretary-Director of the Commission shall have the authority to exempt such pools as he may deem proper from the gas-oil ratio test requirements of this rule. Such exemption shall be by executive order directed to all operators in the pool being exempted.

(f) The Secretary-Director shall have the authority to require annual productivity tests of all oil wells in pools exempt from gas-oil ratio tests, during a period prescribed by the Commission. An oil well productivity survey schedule shall be established by the Commission setting forth the period in which productivity tests are to be taken for each pool wherein such tests are required.

(g) The results of productivity tests taken during survey periods shall be filed with the Commission on Form C-116 (with the word "Exempt" inserted in the column normally used for reporting gas production) not later than the 10th of the month following the close of the survey period for the pool in which the well is located. Unless Form C-116 is filed within the required time limit, no further allowable will be assigned the affected well until Form C-116 is filed.

(h) In the case of special productivity tests taken between regular test survey periods, which result in a change of allowable assigned to the well, the allowable change shall become effective upon the date the Form C-116 is received by the Proration Department. A special test does not exempt any well from the regular survey.

(i) During the productivity test, no well shall be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 per cent. No well shall be assigned an allowable greater than the amount of oil produced on test during a 24-hour period."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 3373


Order No. R-3036

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/