

Entered August 1, 1969
A.L.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. 4151
Order No. R-3805

APPLICATION OF NORTHERN NATURAL GAS COMPANY
FOR THE SUSPENSION OF CERTAIN PROVISIONS OF
RULES 14(A) AND 15(A) OF ORDER NO. R-1670,
AS AMENDED, OF THE GENERAL RULES AND REGULA-
TIONS FOR THE PRORATED GAS POOLS OF SOUTH-
EASTERN NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of August, 1969, 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 the applicant, Northern Natural Gas Company, is
the owner and operator of a pipeline connected to many gas wells
in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas
Pools, Lea County, New Mexico.

(3) That the applicant seeks suspension for a period of
one year of that provision of Rule 14(A) of the General Rules and
Regulations for the Prorated Gas Pools of Southeast New Mexico,
promulgated by Order No. R-1670, as amended, as to the Blinebry,
Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, Lea County,
New Mexico, that provides that any underproduction carried

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forward into a gas proration period and remaining unproduced at the end of such period shall be cancelled.

(4) That the aforesaid company is connected to many non-marginal wells in said gas pools that have accumulated underproduction which is subject to cancellation as of July 1, 1969, and January 1, 1970.

(5) That an explosion disabled the applicant's Sunray, Texas, compressor station on May 8, 1969; that said disablement has prevented and will prevent the applicant from producing said accumulated underproduction prior to the normal cancellation dates of July 1, 1969, and January 1, 1970.

(6) That the applicant has a need for this unproduced gas, which is subject to cancellation July 1, 1969, and January 1, 1970, and it appears that it will be able to produce said gas in addition to current allowables during the one-year period commencing July 1, 1969.

(7) That unless the cancellation of underproduction is suspended for a period of one year commencing July 1, 1969, producers in the subject pools to whose wells Northern Natural Gas Company is connected will be denied the opportunity of producing their fair share of the gas reserves underlying the subject pools.

(8) That all other operators in said pools should have the same opportunity to produce gas for which allowables have been granted, and which remain unproduced and subject to cancellation July 1, 1969, and January 1, 1970.

(9) That it would be inequitable to suspend cancellation of underproduction for a period of one year without also suspending the shutting in of overproduced wells for a like period.

(10) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubbs Gas Pools, Lea County, New Mexico, the opportunity to produce his just and equitable share of the reserves underlying said gas pools, the provisions of Rules 14(A), 15(A), and 16(A) that provide, respectively, for the cancellation of unproduced allowables, the shutting in of overproduced wells, and the reclassification of non-marginal wells, should be suspended for a period of one year commencing July 1, 1969.

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IT IS THEREFORE ORDERED:

(1) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells have accrued underproduction which is subject to cancellation as of July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to produce said accrued underproduction.

(2) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells accrue underproduction during the gas proration period beginning July 1, 1969, and ending December 31, 1969, shall have until December 31, 1970, in which to produce said accrued underproduction.

(3) That underproduction accrued by wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools during the gas proration period beginning January 1, 1970, and remaining unproduced at the end of the gas proration period beginning July 1, 1970, shall be cancelled January 1, 1971, in accordance with Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(4) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells have accrued overproduction and which are subject to being shut in therefor July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to make up said overproduction.

(5) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells accrue overproduction during the period beginning July 1, 1969, and ending December 31, 1969, shall have until December 31, 1970, in which to make up said overproduction.

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(6) That any well in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools which accrues overproduction during the gas proration period beginning January 1, 1970, and does not make up said overproduction by the end of the gas proration period beginning July 1, 1970, shall be shut in until such overproduction is made up in accordance with Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(7) That Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, is hereby suspended as to the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, for a period of one year beginning July 1, 1969, insofar and only insofar as said rule provides for the reclassification of non-marginal wells.

(8) That that portion of Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, that provides for the shutting in of a well that is overproduced an amount equalling six times its current monthly allowable shall be unaffected by this order.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMISTO, Member

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

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