

*Entered March 30, 1971*  
*C. L. 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 NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4500  
Order No. R-4125

APPLICATION OF GULF OIL CORPORATION  
FOR REINSTATEMENT OF CANCELLED UNDER-  
PRODUCTION AND RECLASSIFICATION OF  
WELLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 24, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 30th day of March, 1971, 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, Gulf Oil Corporation, is the operator of the following-described gas wells located in Lea County, New Mexico, as follows:

<u>WELL NAME AND NUMBER</u>	<u>LOCATION</u>	
	<u>Unit - S-T-R</u>	<u>POOL</u>
W. A. Ramsay (NCT-A) No. 17	J 27-21S-36E	Eumont
Bell Ramsay (NCT-B) No. 3	L 28-20S-37E	Eumont
R. R. Bell (NCT-A) No. 2	P 8-21S-36E	Eumont
R. R. Bell (NCT-F) No. 2	K 36-20S-36E	Eumont
Mollie Campbell No. 2	K 7-21S-36E	Eumont
F. W. Kutter (NCT-A) No. 3	J 20-19S-37E	Eumont
H. T. Mattern (NCT-D) No. 7	D 6-22S-37E	Eumont
E. Shipp (NCT-B) No. 2	E 8-19S-37E	Eumont
J. F. Janda (NCT-F) No. 7	K 4-22S-36E	Jalmat
C. E. LaMunyon No. 4	D 29-23S-37E	Jalmat
Gutman No. 2	C 19-22S-38E	Tubb

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(3) That the above-described Bell Ramsay (NCT-B) Well No. 3 and the R. R. Bell (NCT-A) Well No. 2 have prior to this date been reclassified from marginal to non-marginal and allowable that was cancelled due to the erroneous classification has been reinstated.

(4) That each of the above-described wells is non-marginal.

(5) That each of the above-described gas wells failed to produce during the gas proration period ending December 31, 1970, accrued underproduction which was consequently cancelled January 1, 1971.

(6) That the applicant seeks, as an exception to Rule 14(A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico, the reinstatement of the above-described unproduced allowable that was cancelled.

(7) That Rule 14(A) provides that any non-marginal well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period and that any such allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled. That such unproduced allowable is to be cancelled whether or not the wells are capable of producing said allowable.

(8) That the applicant has not shown that the subject wells were unreasonably discriminated against in the price paid, the quantities purchased, the bases of measurement or the gas transportation facilities afforded for gas of like quantity, quality and pressure available from such wells.

(9) That reinstatement of said allowable as an exception to said Rule 14(A) would give to the applicant an unfair advantage over other operators in the subject pool.

(10) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

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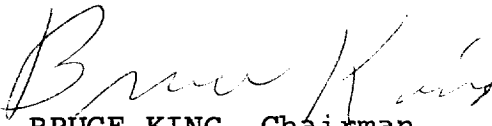
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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

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