

*Entered March 30, 1971  
C.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. 4504  
Order No. R-4126

APPLICATION OF HUMBLE OIL & REFINING  
COMPANY FOR THE REINSTATEMENT OF  
CANCELLED UNDERPRODUCTION, 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, Humble Oil & Refining Company, is the operator of the Humble Oil & Refining Company J. L. Greenwood Well No. 11 located in Unit I of Section 9 and the Humble Oil & Refining Company N. G. Penrose Well No. 1 located in Unit B of Section 13, both in Township 22 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico.

(3) That the J. L. Greenwood Well No. 11, a non-marginal well, failed to produce during the gas proration period ending December 31 1970, accrued underproduction amounting to 9148 MCF of gas which was consequently cancelled January 1, 1971.

(4) That the N. G. Penrose Well No. 1, a non-marginal well, failed to produce during the gas proration period ending December 31, 1970, accrued underproduction amounting to 5006 MCF of gas which was consequently cancelled January 1, 1971.

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(5) 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.

(6) 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.

(7) 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.

(8) 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 and would, therefore, violate the correlative rights of the other operators.

(9) That the application should be denied.

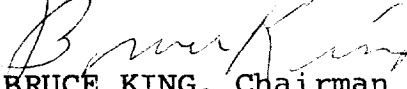
IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

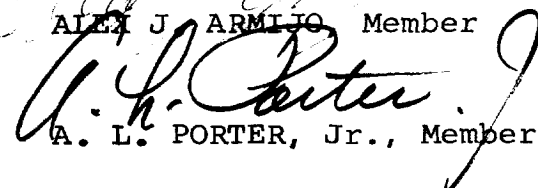
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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. ARMILLO, Member

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

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