

Entered March 25, 1975
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. 5433
Order No. R-4985

APPLICATION OF SOUTHERN UNION GAS
COMPANY FOR SUSPENSION AND AMENDMENT
OF CERTAIN PROVISIONS OF RULES 14(A),
15(A) and 15(B), OF THE GENERAL RULES
AND REGULATIONS FOR THE PRORATED GAS
POOLS OF SOUTHEASTERN, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 5, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of March, 1975, 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, Southern Union Gas Company, seeks suspension for a period of one year from April 1, 1975, of those provisions of Rules 14(A) and 15(A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for cancellation of unproduced allowable and shutting in of overproduced wells, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the applicant does not seek suspension of the provisions of Rule 15(B) of said General Rules.

(4) That Southern Union Gas Company is the owner and operator of one of the pipelines connected to gas wells in said gas pool.

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(5) That there are three non-marginal wells connected to applicant's pipeline system in said Indian Basin-Upper Pennsylvanian Gas Pool that have accumulated substantial underproduction which is subject to cancellation as of April 1, 1975.

(6) That the applicant has made diligent efforts to bring said underproduced wells into balance but problems with pipeline construction, weather, delays in completion of new industrial connections, and the rapid completion of new gas wells in the area have combined to prevent full balancing before the end of the gas proration period.

(7) That there is and will be a demand for the gas from the Indian Basin-Upper Pennsylvanian Gas Pool and from said three underproduced wells such that they may be brought into balance before April 1, 1976.

(8) That completion of additional pipeline facilities serving the Indian Basin-Upper Pennsylvanian Gas Pool and said underproduced wells should permit the taking of gas such as to bring said wells into balance before April 1, 1976.

(9) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the Indian Basin-Upper Pennsylvanian Gas Pool the opportunity to produce his just and equitable share of the gas in said pool, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Rules 14(A) and 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeastern New Mexico, promulgated by Order No. R-1670, as amended, are hereby suspended in the Indian Basin-Upper Pennsylvanian Gas Pool for a period of one year until April 1, 1976.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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

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