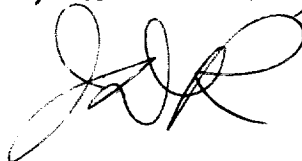


Entered March 30, 1976



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. 5645
Order No. R-5187

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR SUSPENSION OF RULES
14A AND 15A OF THE GAS PRORATION
RULES, INDIAN BASIN-UPPER PENNSYLVANIAN
GAS POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 17, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 30th day of March, 1976, 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,

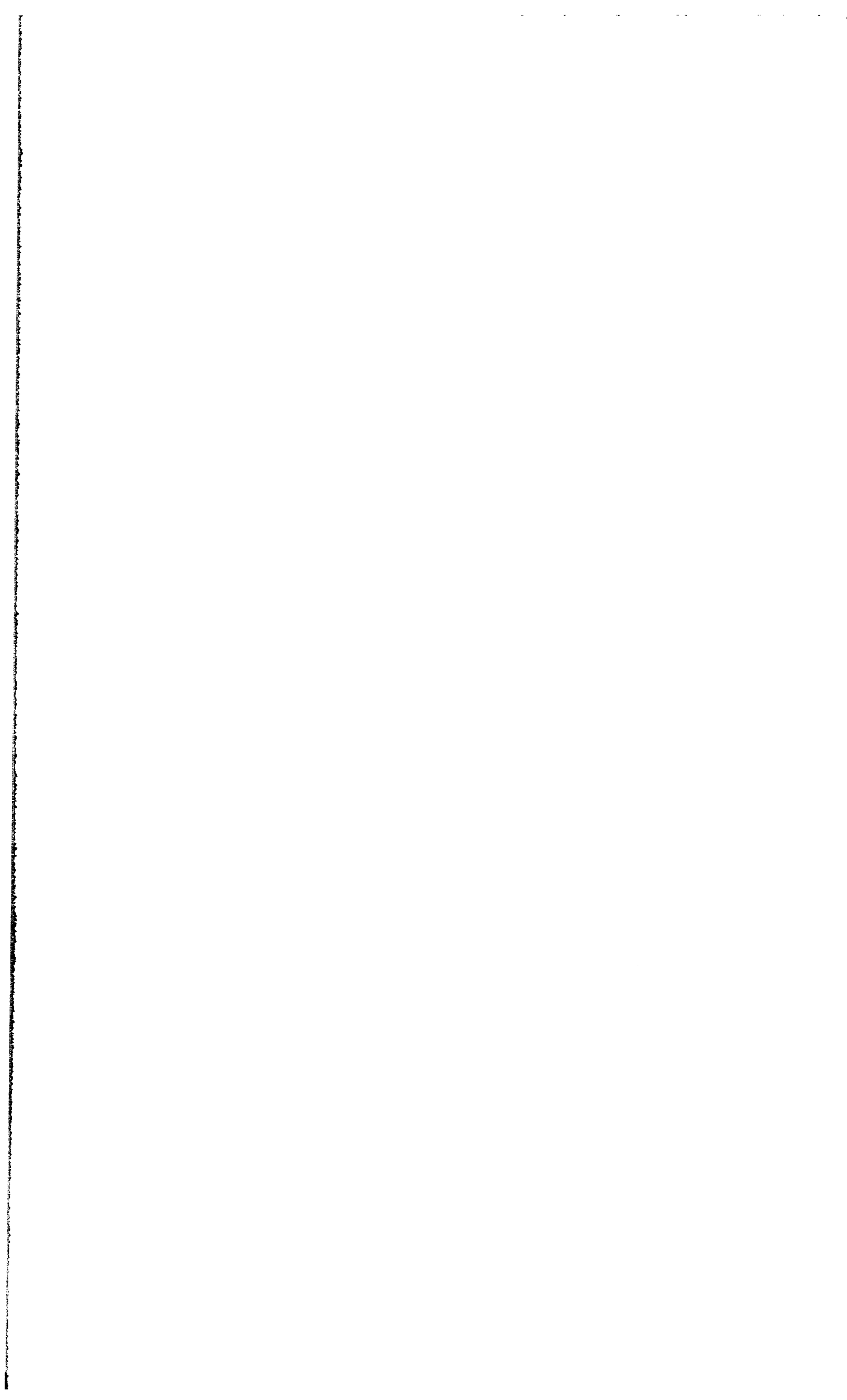
FINDS:

(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, Amoco Production Company, seeks suspension for a period of one year from April 1, 1976, 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 gas wells, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That upon application of one of the gas pipelines connected to wells in said Indian Basin-Upper Pennsylvanian Gas Pool, Order No. R-4985, dated March 25, 1975, was entered in Case No. 5433 and suspended Rules 14(A) and 15(A) of the prorated gas pool rules for the Indian Basin-Upper Pennsylvanian Gas Pool for a period of one year from April 1, 1975, through March 31, 1976.

(4) That at the time of hearing of Case No. 5433 one year ago, a number of non-marginal wells belonging to the applicant and to other operators in said Indian Basin-Upper Pennsylvanian Gas Pool had accumulated substantial quantities of underproduction which was subject to cancellation April 1, 1975.



-2-

Case No. 5645
Order No. R-5187

(5) That the applicant and other operators made diligent efforts to bring said underproduced wells into balance during the past year, but there still remains considerable underproduction which will be subject to cancellation April 1, 1976.

(6) That the pipeline to which applicant's wells are connected has recently completed the installation of additional pipeline and gas compression facilities in the Catclaw Draw-Avalon-Indian Basin Area which enable it to move considerably more gas from the producing area to market facilities than was previously possible.

(7) That the newly installed facilities should enable said pipeline to take sufficient gas from the underproduced wells to which it is connected to be able to bring applicant's wells back into balance by April 1, 1977.

(8) That the suspension of Rule 14(A) of the prorated gas pool rules, which relates to the cancellation of unproduced allowable, would be inequitable without the concomitant suspension of Rule 15(A) of said rules, which relates to the shutting-in of overproduced wells.

(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, Eddy County, New Mexico, for a period of one year from April 1, 1976, through March 31, 1977.

(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


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L
jr/