

Entered June 21, 1977  
JDR

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF CASE 5872 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-5373  
WHICH ORDER SUSPENDED RULES 15 (A) AND 15 (B)  
OF THE GENERAL RULES FOR PRORATED GAS POOLS  
OF NORTHWEST AND SOUTHEAST NEW MEXICO.

CASE NO. 5872 DE NOVO  
Order No. R-5373-B

ORDER OF THE COMMISSION

BY THE COMMISSION:

On the application of El Paso Natural Gas Company, this cause came on for hearing De Novo at 9 a.m. on June 13, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of June, 1977, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 on the 27th day of January, 1977, the Commission entered its Emergency Order No. E-30 which order suspended Rule 15(A) and Rule 15(B) of the General Rules for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended.

(3) That on the 11th day of February, 1977, the Commission entered its Order No. R-5373 which order further suspended said Rule 15(A) and Rule 15(B) pending further order of the Commission.

(4) That said Rule 15(A) and Rule 15(B) were suspended in an attempt to make more natural gas available to the Eastern United States during an emergency shortage of natural gas in that region.

(5) That this case was reopened at an Examiner hearing on April 20, 1977, to permit all interested parties to appear and show cause why said suspension should not be rescinded,

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to consider the matter of final disposition of overproduction accrued during the period of suspension of Rules 15(A) and 15(B), and what, if any, special consideration should be given to underproduction accrued to gas wells during the period of suspension of said rules.

(6) That subsequent to said Examiner hearing, the Commission entered its Order No. R-5373-A on April 26, 1977, finding, among other things:

"(6) That the evidence presented demonstrated that said natural gas shortage emergency is over.

"(7) That the evidence presented demonstrated that suspension of said Rule 15(A) and Rule 15(B) should be terminated.

"(8) That the evidence presented demonstrated that to protect correlative rights, overproduced wells subject to the shut-in provisions of said Rule 15(A) and Rule 15(B) due to overproduction should be shut-in following termination of the suspension of said rules.

"(9) That the evidence presented demonstrated that no special consideration should be given to underproduction accrued to gas wells during the period of suspension of said Rule 15(A) and Rule 15(B)."

(7) That the Commission, in said Order No. R-5373-A, also found:

"(11) That the termination of said suspension of said Rules 15(A) and 15(B) will not cause waste.

"(12) That the suspension of said Rule 15(A) and Rule 15(B) should be terminated with no special provisions to apply to overproduction or underproduction accrued during the period of said suspension."

(8) That said Order No. R-5373-A ordered, among other things:

"(1) That effective at 12:01 a.m. Mountain Daylight Time, May 1, 1977, the suspension of Rule 15(A) and Rule 15(B) of the General Rules for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended, is hereby terminated."

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(9) That the applicant in the instant case, El Paso Natural Gas Company, made timely application for a hearing De Novo of Case No. 5872, whereupon this case came on for hearing before the Commission.

(10) That the evidence presented to the Commission corroborates and substantiates the Commission's findings in Order No. R-5373-A, as recited in Findings Nos. (6) and (7) above, and the Commission finds that said findings should be, and they are, reaffirmed.

(11) That to not require wells which were overproduced during the emergency period to make-up such overproduction would impair the correlative rights of owners of offsetting lands.

(12) That wells which were overproduced during the emergency period should be required to make up such overproduction in accordance with the provisions of Commission Order No. R-1670, as amended, in order to protect correlative rights.

(13) That the protection of correlative rights is a necessary adjunct to the prevention of waste.

(14) That in order to prevent waste and to protect correlative rights, Commission Order No. R-5373-A should be reaffirmed.

IT IS THEREFORE ORDERED:

(1) That effective at 12:01 a.m. Mountain Daylight Time, May 1, 1977, the suspension of Rule 15(A) and Rule 15(B) of the General Rules for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended, is hereby terminated.

(2) That no special consideration shall be given to wells accruing underproduction during the period in which Rule 15(A) and Rule 15(B) of Order No. R-1670, as amended, were suspended.

(3) That all overproduction accruing to wells during the period in which Rule 15(A) and 15(B) of Order No. R-1670, as amended, were suspended shall be made up in accordance with the provisions of said Order No. R-1670, including the shutting-in of wells which are overproduced in an amount exceeding six times their average monthly allowable.

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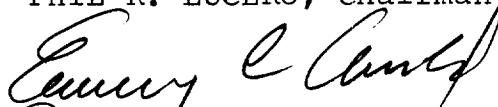
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

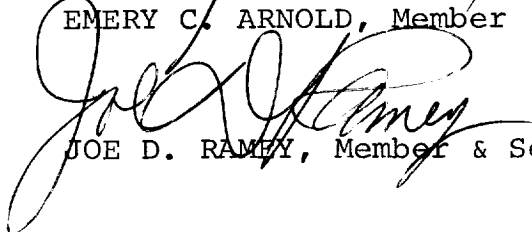
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMSEY, Member & Secretary

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