

Entered February 28, 1978

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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. 6125
Order No. R-5655

APPLICATION OF SHELL OIL COMPANY
FOR AN EXCEPTION TO RULE 202(B),
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of February, 1978, 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, Shell Oil Company, seeks an exception to Commission Rule 202(B), San Juan County, New Mexico, to permit the continued temporary abandonment of certain wells on its Carson Unit Area as shown on Exhibit "A" attached to this order.

(3) That said Carson Unit Wells are oil wells that have been depleted under primary and secondary operations but which have substantial potentially producible reserves and also Pictured Cliffs gas wells which are shut-in awaiting installation of facilities for the disposal of produced water.

(4) That the applicant has plugged many other wells in its Carson Unit Area.

(5) That the applicant is evaluating those Carson Unit wells shown on Exhibit "A" of this order to determine if additional oil and gas may be economically recovered therefrom.

(6) That the applicant should be granted an exception to Commission Rule 202(B) for a period of one year for those Carson Unit Wells shown on Exhibit "A" of this order.

-2-

Case No. 6125

Order No. R-5655

(7) That upon a showing of substantial progress in the evaluation of the future potential of the Carson Unit Wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production, the Secretary-Director of the Commission should be authorized to grant a one-year extension of said exception to Commission Rule 202(B) for said Carson Unit Wells.

(8) That the Secretary-Director of the Commission should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well shown on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby granted an exception to the provisions of Rule 202(B) of the Commission Rules and Regulations for its Carson Unit Wells in San Juan County, New Mexico, as shown on Exhibit "A" attached hereto and made a part hereof.

PROVIDED HOWEVER, that such exception shall expire one year from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

(2) That the Secretary-Director of the Commission may administratively grant a one-year extension to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said Carson Unit Wells or that substantial numbers of said wells have been returned to production.

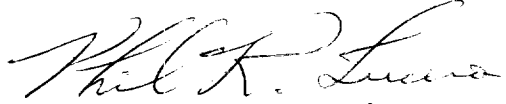
(3) That the Secretary-Director of the Commission may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

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

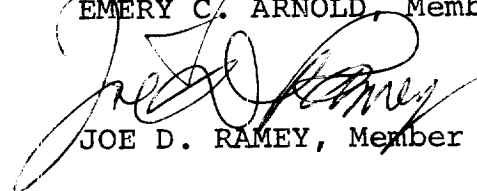
-3-
Case No. 6125
Order No. R-5655

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

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CARSON UNIT AREA WELLS

<u>Unit Well and No.</u>	<u>Unit Letter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Carson Unit 7 No. 3	L	7	25N	11W
Carson Unit 10 No. 23	K	10	25N	12W
Carson Unit 10 No. 24	N	10	25N	12W
Carson Unit 10 No. 34	O	10	25N	12W
Carson Unit 10 No. 43	I	10	25N	12W
Carson Unit 10 No. 44	P	10	25N	12W
Carson Unit 11 No. 13	L	11	25N	12W
Carson Unit 11 No. 34	O	11	25N	12W
Carson Unit 13 No. 1	F	13	25N	12W
Carson Unit 13 No. 21	C	13	25N	12W
Carson Unit 13 No. 23	K	13	25N	12W
Carson Unit 13 No. 24	N	13	25N	12W
Carson Unit 13 No. 31	B	13	25N	12W
Carson Unit 13 No. 32	G	13	25N	12W
Carson Unit 13 No. 33	J	13	25N	12W
Carson Unit 13 No. 44	P	13	25N	12W
Carson Unit 13 No. 201	E	13	25N	12W
Carson Unit 14 No. 3	G	14	25N	12W
Carson Unit 14 No. 11	D	14	25N	12W
Carson Unit 14 No. 14	M	14	25N	12W
Carson Unit 14 No. 21	C	14	25N	12W
Carson Unit 14 No. 33	J	14	25N	12W
Carson Unit 14 No. 34	O	14	25N	12W
Carson Unit 14 No. 41	A	14	25N	12W
Carson Unit 15 No. 31	B	15	25N	12W
Carson Unit 15 No. 32	G	15	25N	12W
Carson Unit 15 No. 33	J	15	25N	12W
Carson Unit 15 No. 41	A	15	25N	12W
Carson Unit 15 No. 43	I	15	25N	12W
Carson Unit 17 No. 1	F	17	25N	11W
Carson Unit 17 No. 43	I	17	25N	11W
Carson Unit 18 No. 12	E	18	25N	11W
Carson Unit 18 No. 23	K	18	25N	11W
Carson Unit 18 No. 24	N	18	25N	11W
Carson Unit 18 No. 33	J	18	25N	11W
Carson Unit 18 No. 34	O	18	25N	11W
Carson Unit 19 No. 12	E	19	25N	11W
Carson Unit 19 No. 21	C	19	25N	11W
Carson Unit 19 No. 23	K	19	25N	11W
Carson Unit 19 No. 34	O	19	25N	11W
Carson Unit 19 No. 41	A	19	25N	11W
Carson Unit 24 No. 34	O	24	25N	12W

Case No. 6125
Order No. R-5655

Exhibit "A"