

Entered September 30, 1983
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7858
Order No. R-7363

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR RECLASSIFICATION
OF MARGINAL GAS WELLS IN THE PRORATED
GAS POOLS OF SOUTHEAST NEW MEXICO AND
THE SUSPENSION OF CERTAIN PRORATION RULES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on July 7, 1983, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of September, 1983, 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 applicant, El Paso Natural Gas Company, seeks the reclassification of all marginal gas wells to non-marginal in the prorated gas pools of Southeast New Mexico.

(3) That applicant further proposes that Rule 15B of the prorated gas pool rules would be suspended for the period from the date of reclassification through December, 1983.

(4) That applicant further proposes that in the alternative to reclassification of all wells as non-marginal, that a level of production of 33 MCF per day, or other appropriate level, be established below which wells would automatically retain their classification as marginal.

(5) That Rule 16-B of the Special Rules for prorated gas pools in Southeast New Mexico (Order No. R-1670) permits the Oil Conservation Division to reclassify gas wells from marginal

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to non-marginal and from non-marginal to marginal based upon evidence of producing ability.

(6) That the Oil Conservation Division has and continues to reclassify wells in the prorated gas pools of Southeast New Mexico from marginal to non-marginal and from non-marginal to marginal under the terms of said rule.

(7) That the application of said Rule 16-B by the Division provides an administrative procedure to accomplish what is sought by the applicant in this case.

(8) That since an effective administrative procedure exists, whereby the reclassification sought by the applicant can be accomplished, this case should be dismissed.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company in Case No. 7858 is hereby dismissed.

(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

JIM BACA, Member



ED KELLEY, Member



JOE D. RAMEY, Member & Secretary

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