

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. 8132  
Order No. R-7632-A

APPLICATION OF AMOCC PRODUCTION  
COMPANY FOR EXEMPTION FROM THE NEW  
MEXICO NATURAL GAS PRICING ACT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause was reopened and came on for hearing at 9:00 a.m. on September 12, 1984, 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 October, 1984, 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 THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) Case No. 8132 was originally heard before the Commission on July 17, 1984, and pursuant to that hearing Order No. R-7632 was issued on August 23, 1984.

(3) Said Case No. 8132 is being reopened at this time at the request of the applicant, Amoco Production Company, to consider an exemption to the pricing provisions of the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" for the applicant's Day Gas Com Well No. 1-E located 790 feet from the South and West lines (Unit M) of Section 7, Township 28 North, Range 10 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico.

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(4) On February 23, 1984, the applicant filed an application seeking an exemption from the pricing provisions of the Act for said well.

(5) Said Act applies to any well drilled after January 1, 1975, if it was drilled on an established proration unit which was producing gas or was capable of producing gas from the same reservoir prior to January 1, 1975, unless the Oil Conservation Division exempts such well upon a finding that the drilling of the well was justified for reasons other than avoiding the application of the Act.

(6) Commission Order No. R-1670-V authorized a second well on an established gas proration and drilling unit in the Basin-Dakota Pool, with findings that infill wells were necessary to recover additional gas from the pool.

(7) Said Day Gas Com Well No. 1-E was drilled to increase the recovery of gas from the Basin-Dakota Pool.

(8) Since the drilling of said well on an existing proration unit, the applicant has done nothing to restrict the ability of the original well on said gas proration and drilling unit to produce into the pipeline.

(9) Granting a prospective exemption from the date of application for the subject well would not impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED THAT:

(1) Commencing on February 29, 1984, a prospective exemption from the Provisions of the New Mexico Natural Gas Pricing Act is hereby granted to the applicant's Amoco Production Company, Day Gas Com Well No. 1-E located 790 feet from the South and West lines (Unit M) of Section 7, Township 28 North, Range 10 West, NMPM, Basin-Dakota Pool, San Juan County, New Mexico.

(2) All provisions of Division Order No. R-7632, dated August 23, 1984, shall remain in full force and effect.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

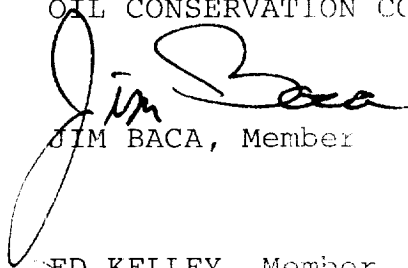
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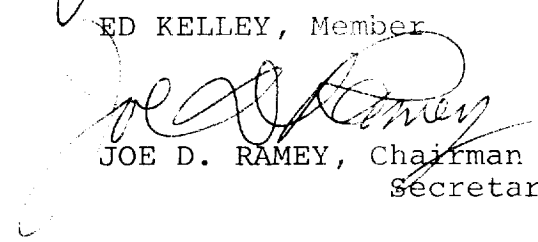
DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



JIM BACA, Member

ED KELLEY, Member



JOE D. RAMEY, Chairman and  
Secretary

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