

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. 8340  
Order No. R-7705

APPLICATION OF TENNECO OIL COMPANY  
FOR EXEMPTION FROM THE NEW MEXICO  
NATURAL GAS PRICING ACT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause 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:

(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, Tenneco Oil Company, is the operator of five wells located in Eddy County, New Mexico, which are subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" and on December 19, 1983, filed applications seeking exemptions from the pricing provisions of the Act for those wells, described in Exhibit "A" attached hereto and made a part hereof.

(3) That the five wells, described in Exhibit "A" were originally included in Division Case No. 8104 heard on March 7, 1984, and re-opened on May 15, 1984, before the Oil Conservation Commission of New Mexico.

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(4) That at the time of the May 15, 1984, Commission hearing for Case No. 8104 the applicant requested and received approval to sever from said Division Case No. 8104 the five wells, described in Exhibit "A", and assign them to a new and separate Case (Division Case No. 8340).

(3) That 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.

(4) That the wells described in Exhibit "A" were drilled to increase the recovery of gas from the Catclaw Draw Morrow Gas Pool.

(5) That each of the wells listed in Exhibit "A" qualifies for such exemption, since each of the wells was completed in the Catclaw Draw Morrow Gas Pool and drilled pursuant to the Division "Morrow Infill Drilling" Order No. R-4157-D, dated August 26, 1981.

(6) That since the drilling of the second well on each proration unit, the applicant has done nothing to restrict the ability of the original well on each of the gas proration and drilling units to produce into the pipeline.

(7) That granting a prospective exemption from the date of application for the subject wells would not impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED THAT:

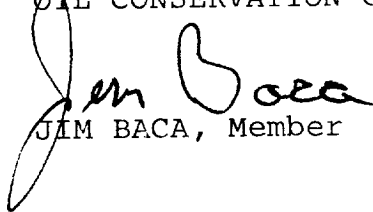
(1) Commencing on December 19, 1983, a prospective exemption from the Provisions of the New Mexico Natural Gas Pricing Act is hereby granted to the five Catclaw Draw Morrow producing wells operated by Tenneco Oil Company and described in Exhibit "A" attached hereto and made a part hereof.

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

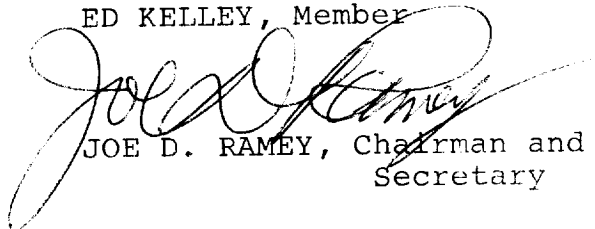
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DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JIM BACA, Member

ED KELLEY, Member

  
JOE D. RAMEY, Chairman and  
Secretary

S E A L

EXHIBIT "A"  
ORDER NO. R-7705

WELL NAME AND NO.	LOCATION - FOOTAGE UNIT-SECTION-TOWNSHIP-RANGE
Catclaw Draw Unit Well No. 12	990' FSL and 1980' FWL N-24-21S-25E
Catclaw Draw Unit Well No. 13	660' FSL and 1980' FEL O-26-21S-25E
Catclaw Draw Unit Well No. 14	990' FSL and 1980' FEL O-23-21S-25E
Catclaw Draw Unit Well No. 15	1980' FSL and 660' FWL L-25-21S-25E
Catclaw Draw Unit Well No. 16	2310' FNL and 990' FWL F-13-21S-25E

All of the above wells located in Eddy County, New Mexico.

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