

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8135
Order No. R-8147

APPLICATION OF VERYL F. MOORE
FOR EXEMPTION FROM THE NEW
MEXICO NATURAL GAS PRICING ACT.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 18, 1985, and at 8:15 a.m. on January 22, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Veryl F. Moore, is the owner and operator of the following wells located in San Juan County, New Mexico, which were subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" and on December 27, 1983, filed applications seeking exemptions from the pricing provisions of the Act for these wells:

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION UNIT-SEC.-TWN-SHP-RANGE</u>	<u>POOL ACREAGE DEDICATION</u>
Con Hale No. 3-J	1520'FNL - 910' FEL H-26-T26N-R8W	Ballard-Pictured Cliffs SE/4 of Sec. 26
Con Hale No. 1-J	1805'FNL - 1495'FEL G-24-T26N-R8W	Ballard-Pictured Cliffs NE/4 of Sec. 24

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(3) The 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 from the provisions of the Act upon a finding that the drilling of the well was justified for reasons other than avoiding the application of the Act.

(4) The above-described wells qualify for such exemption since both wells were drilled on established gas spacing and proration units as substitutes for former Ballard-Pictured Cliffs Pool producing wells.

(5) Both of the original wells on the respective proration units began producing at non-commercial rates and were subsequently abandoned in the Pictured Cliffs zone within a reasonable time period following the dates of connection of the respective replacement well.

(6) Granting exemption for the wells described in Finding Paragraph No. (2) above would not impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED THAT:

(1) Commencing on December 27, 1983, exemption from the provisions of the New Mexico Natural Gas Pricing Act is hereby granted to the following described wells in San Juan County, New Mexico, and operated by Veryl F. Moore:

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION UNIT-SEC.-TWN-SHP-RANGE</u>	<u>POOL ACREAGE DEDICATION</u>
Con Hale No. 3-J	1520'FNL - 910'FEL H-26-T26N-R8W	Ballard-Pictured Cliffs SE/4 of Sec. 26
Con Hale No. 1-J	1805'FNL - 1495'FEL G-24-T26N-R8W	Ballard-Pictured Cliffs NE/4 of Sec. 24

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division 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 DIVISION

A handwritten signature in dark ink, appearing to read "R. L. Stamets", is written over the printed name.

R. L. STAMETS
Director

S E A L

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