

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION TO
CONSIDER THE APPLICATION OF:

REOPENED

CASE NO. 9018
ORDER NO. R-8170-I

CASE 9018 BEING REOPENED PURSUANT
TO THE PROVISIONS OF COMMISSION
ORDER NO. R-8170-C FOR THE PURPOSE OF
CONSIDERING WHETHER RULE 11(h) SHOULD BE
RETAINED IN THE RULES FOR PRORATED GAS POOLS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on November 8, 1990, at Santa Fe, New Mexico before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 20th day of December, 1990, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and further considering comments submitted pursuant to request of the Commission, 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) Rule 11(h) was adopted by the Commission for a five year period by Order R-8170-C to allow a mechanism for producers to reinstate canceled allowable for wells which have been denied access to gas markets or transportation.

(3) Few, if any, applications for reinstatement have been filed, but the rule provides the opportunity for producers to protect their correlative rights should they be denied access to pipelines by actions other than their own unwillingness to sell.

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(4) Retaining the rule would serve to protect correlative rights without causing waste under certain circumstances, and allowing the rule to expire could result in an impairment of correlative rights.

(5) Rule 11(h) should be retained in the General Rules for Prorated Gas Pools without time limitation and should be incorporated into the adoption of revised general rules by the Commission in Case 10009, as adopted by Order R-8170-H.

IT IS THEREFORE ORDERED THAT:

(1) Rule 11(h) shall be kept in the General Rules for Prorated Gas Pools as adopted in Order R-8170-H without time limitation.

(2) Jurisdiction of this cause is retained for 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

WILLIAM R. HUMPHRIES,
Member

Bill Weiss

WILLIAM W. WEISS,
Member

William J. Lemay
WILLIAM J. LEMAY,
Chairman & Secretary

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