

Entered February 20, 1978
A.S.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4302
Order No. R-3923

APPLICATION OF EL PASO NATURAL GAS COMPANY
FOR SUSPENSION AND AMENDMENT OF CERTAIN
PROVISIONS OF RULES 14(A), 15(A), AND 15(B)
OF THE GENERAL RULES AND REGULATIONS FOR
THE PRORATED GAS POOLS OF NORTHWESTERN
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of February, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, El Paso Natural Gas Company, seeks
suspension for a period of one year from February 1, 1970, of
those provisions of Rules 14(A), 15(A), and 15(B) of the General
Rules and Regulations for the prorated gas pools of Northwestern
New Mexico promulgated by Order No. R-1670, as amended, that
provide for the cancellation of unproduced allowable and the
shutting-in of overproduced wells.

(3) That El Paso Natural Gas Company is the owner and
operator of one of the pipelines connected to gas wells in the
aforesaid prorated gas pools.

(4) That there are numerous non-marginal wells in said prorated gas pools that have accumulated underproduction which is subject to cancellation as of February 1, 1970.

(5) That there are numerous non-marginal wells in said prorated gas pools which are currently overproduced and were not brought in balance during the proration period beginning August 1, 1969, and that such wells are subject to being shut in and their current monthly allowable credited against said overproduction until they are in balance.

(6) That there are numerous non-marginal wells in said prorated gas pools which are overproduced an amount equalling six times their current monthly allowable and that such wells are subject to being shut in until the wells are overproduced less than six times their current monthly allowable.

(7) That there has been and will continue to be, for a period of time, an extremely heavy demand for gas from said prorated gas pools.

(8) That there is a present and continued need for gas which cannot be satisfactorily met if the aforesaid overproduced wells referred to in Findings Nos. 5 and 6 are not allowed to continue producing.

(9) That there is such a present and continued need for gas that the wells that have accrued the aforesaid underproduction should be able to produce the aforesaid underproduction in addition to the normal allowables by February 1, 1971.

(10) That completed and planned installation of compression facilities should lessen the heavy demand on the overproduced wells referred to in Findings Nos. 5 and 6 and enable said wells to be brought into balance by February 1, 1971.

(11) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the prorated gas pools of Northwest New Mexico the opportunity to produce his just and equitable share of the reserves underlying said gas pools, the aforesaid Rules 14(A), 15(A), and 15(B) should be suspended for a period of one year from February 1, 1970.

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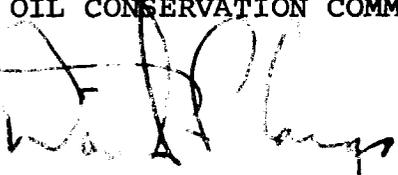
IT IS THEREFORE ORDERED:

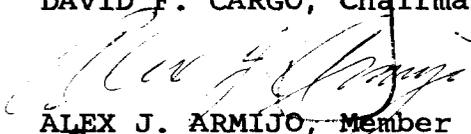
(1) That Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, are hereby suspended for a period of one year beginning February 1, 1970.

(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


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

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