

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

**CASE NO. 11931  
Order No. R-10965**

**GAS ALLOWABLES FOR THE  
PRORATED GAS POOLS IN NEW  
MEXICO FOR APRIL, 1998 THROUGH  
SEPTEMBER, 1998.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on February 26, 1998, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 26th day of February, 1998, the Commission, a quorum being present, having considered the testimony, 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) This hearing was called for the purpose of accepting nominations and other evidence and information to assist in determining April, 1998 through September, 1998 gas allowables for the prorated gas pools in New Mexico. Eight of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico, and the other four prorated gas pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico.
- (3) Since 1991, allowables for the prorated gas pools in New Mexico have been established for six month allocation periods beginning in April and October of each year. Allowables have been determined using prior year allocation period production volumes with adjustments where appropriate based on evidence and recommendations from operators, purchasers, and transporters.

(4) For the past several allocation periods, non-marginal allocation factors and well allowables have remained almost constant in most pools. Increased demand for New Mexico gas has resulted in a large reduction in the number of non-marginal wells and the assignment of marginal allowables to most wells in prorated pools.

(5) By Memorandum dated February 6, 1998 sent out with the docket for this hearing, the Oil Conservation Division proposed that the allowable factors used for the October, 1997 through March, 1998 allocation period be continued for the April, 1998 through September, 1998 period. The Division also proposed that these factors be used for future allocation periods until such time as it is determined that changes are needed.

(6) At the hearing, counsel for the Division requested that the Indian Basin-Morrow Gas Pool be deleted from this and future proration orders since such pool was deproprated in Order Nos. R-8170-O-1 and R-2441-B.

(7) Industry representatives have expressed general support for the OCD proposed method of determining allowables.

(8) The allocation factors proposed by OCD should be approved.

**IT IS THEREFORE ORDERED THAT:**

(1) Exhibit "A" attached to and incorporated herein, is adopted for the purpose of making allowable assignments for the prorated gas pools in New Mexico for the months of April, 1998 through September, 1998.

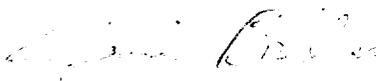
(2) The allowable allocation factors shown in Exhibit "A" shall be used as Division recommended allowables for future allocation periods until such time as it is determined that changes are needed.

(3) The Indian Basin-Morrow Gas Pool should not be included in this order and should be deleted from all future proration orders.

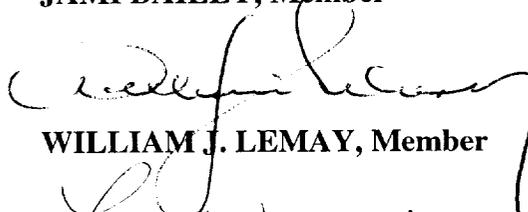
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

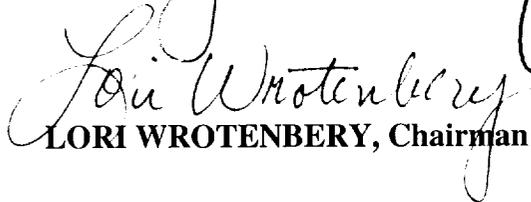
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



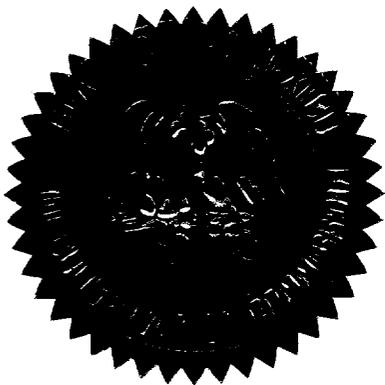
JAMI BAILEY, Member



WILLIAM J. LEMAY, Member



LORI WROTENBERY, Chairman



S E A L

**EXHIBIT "A"**  
**CASE NO. 11931**  
**ORDER NO. R-10965**

**Allowable Allocation Factors**  
**New Mexico Prorated Gas Pools**  
**April, 1998 through September, 1998**

**SOUTHEAST NEW MEXICO**

<b>Pool</b>	<b>Monthly Acreage Allocation Factor (F.)</b>
Atoka Penn	24,000
Blinebry Oil and Gas	70,200
Buffalo Valley Penn	33,000
Eumont Yates 7 River Queen	38,000
Indian Basin Upper Penn	200,000
Jalmat Tansill Yates 7 Rivers	18,300
Justis Glorieta	18,300
Tubb Oil and Gas	18,425

**NORTHWEST NEW MEXICO**

<b>Pool</b>	<b>Monthly Acreage Allocation Factor (F1)</b>	<b>Monthly Acreage X Deliverability Factor(F2)</b>
Basin Dakota	11,163	14.04
Blanco Mesaverde	5,771	26.14
Blanco P.C. South	440	28.18
Tapacito Pictured Cliffs	467	19.79