

Entered October 30, 1979

JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER THE AMENDMENT OF RULE
10(C) OF ORDERS NOS. R-1670-T
AND R-1670-V

CASE NO. 6692
Order No. R-1670-W

Also See R-333-F-2A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of October, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That Division Order No. R-333-F-2A entered in this case on this date amends Chapter I, Section 2, subsection A, Part 4 of the Division's "Gas Well Testing Rules and Procedures - San Juan Basin, New Mexico" to require that for wells to be classified as "exempt marginal," they must have at least three months of production history, and that their average monthly production for the months produced within the preceding 12-month period must fall below a certain specified amount, according to depth.
- (3) That the aforesaid Order No. R-333-F-2A also provides that gas wells on multiple well proration units will not be classified "exempt marginal" unless all wells on the proration unit meet the qualification for "exempt marginal" status.
- (4) That the Division, by its Order No. R-1670-T, dated November 14, 1974, and by its Order No. R-1670-V, dated May 22, 1979, effective July 1, 1979, amended the Special Rules for the Blanco Mesaverde Pool and the Basin-Dakota Pool, respectively,

to permit the infill drilling of a second well on each of the proration units in said pools.

(5) That said special rules for the Blanco Mesaverde and Basin-Dakota Pools should be amended to incorporate the changes adopted in Order No. R-333-F-2A.

(6) That Rule 10(C) of the Special Rules for the Blanco Mesaverde Pool as promulgated by Order No. R-1670-T, as amended, and Rule 10(C) of the Special Rules for the Basin-Dakota Pool as promulgated by Order No. R-1670-V should each be amended to read in its entirety as follows:

"RULE 10(C)

The calculated deliverability at the "deliverability pressure" shall be determined in accordance with the provisions of the current "Gas Well Testing Rules and Procedures - San Juan Basin, New Mexico."

No well shall be eligible for reclassification to "Exempt Marginal" status unless the proration unit upon which it is located is a marginal proration unit and unless all wells on the proration unit meet the qualification for "exempt marginal" status."

IT IS THEREFORE ORDERED:

(1) That Rule 10(C) of the Special Rules for the Blanco Mesaverde Pool as promulgated by Division Order No. R-1670-T, as amended, and Rule 10(C) of the Special Rules for the Basin-Dakota Pool as promulgated by Division Order No. R-1670-V is each hereby amended to read in its entirety as follows:

"RULE 10(C)

The calculated deliverability at the "deliverability pressure" shall be determined in accordance with the provisions of the current "Gas Well Testing Rules and Procedures - San Juan Basin, New Mexico."

No well shall be eligible for reclassification to "Exempt Marginal" status unless the proration unit upon which it is located is a marginal proration unit and unless all wells on the proration unit meet the qualification for "exempt marginal" status."

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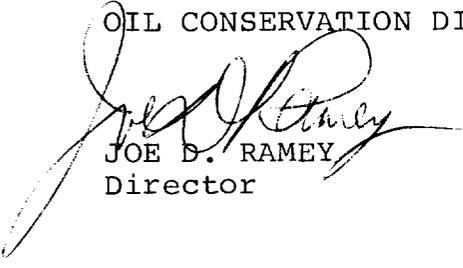
Case No. 6692

Order No. R-1670-W

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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