

*Entered June 21, 1962  
C.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. 2528  
Order No. R-2260

APPLICATION OF R & G DRILLING COMPANY,  
INC. FOR PERMISSION TO OPERATE TWELVE  
WELLS UNDER A PROJECT ALLOWABLE, SAN  
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 11, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of June, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, R & G Drilling Company, Inc., is the owner and operator of the following wells in the West Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico:

Krause Well No. 5, SW/4, Section 32, Township 28 North,  
Range 11 West;  
Krause Well No. 7, SW/4, Section 33, Township 28 North,  
Range 11 West;  
Krause Well No. 18, NE/4, Section 28, Township 28 North,  
Range 11 West;  
Krause Well No. 19, NW/4, Section 28, Township 28 North,  
Range 11 West;  
Krause Well No. 22, SE/4, Section 32, Township 28 North,  
Range 11 West;  
Schlosser Well No. 12, NW/4, Section 10, Township 27  
North, Range 11 West;  
Schlosser Well No. 13, NW/4, Section 27, Township 28  
North, Range 11 West;

-2-  
CASE No. 2528  
Order No. R-2260

Schlosser Well No. 15, NW/4, Section 34, Township 28  
North, Range 11 West;  
Schlosser Well No. 16, SE/4, Section 10, Township 27  
North, Range 11 West;  
Schlosser Well No. 20, NE/4, Section 10, Township 27  
North, Range 11 West;  
Schlosser Well No. 24, SW/4, Section 27, Township 28  
North, Range 11 West;  
Schlosser Well No. 25, SE/4, Section 27, Township 28  
North, Range 11 West.

(3) That the applicant seeks permission to produce said wells under a project allowable of 3300 MCFD, to be produced from any well or combination of wells.

(4) That in order to evaluate the feasibility of installing compression facilities on said wells, the application should be granted for a 90-day period with provision made for a further 90-day extension by administrative procedure.

(5) That at the end of said period of evaluation, allowables should be assigned retroactively to the individual wells in the project on the basis of deliverability tests obtained at that time.

IT IS THEREFORE ORDERED:

(1) That the applicant, R & G Drilling Company, Inc., is hereby authorized to operate the following-described wells under a project allowable of 3300 MCFD for a period of 90 days beginning July 1, 1962, in order to evaluate the feasibility of installing compression facilities:

Krause Well No. 5, SW/4, Section 32, Township 28 North,  
Range 11 West;  
Krause Well No. 7, SW/4, Section 33, Township 28 North,  
Range 11 West;  
Krause Well No. 18, NE/4, Section 28, Township 28 North,  
Range 11 West;  
Krause Well No. 19, NW/4, Section 28, Township 28 North,  
Range 11 West;  
Krause Well No. 22, SE/4, Section 32, Township 28 North,  
Range 11 West;  
Schlosser Well No. 12, NW/4, Section 10, Township 27  
North, Range 11 West;  
Schlosser Well No. 13, NW/4, Section 27, Township 28  
North, Range 11 West;  
Schlosser Well No. 15, NW/4, Section 34, Township 28  
North, Range 11 West;  
Schlosser Well No. 16, SE/4, Section 10, Township 27  
North, Range 11 West;  
Schlosser Well No. 20, NE/4, Section 10, Township 27  
North, Range 11 West;

-3-

CASE No. 2528  
Order No. R-2260

Schlosser Well No. 24, SW/4, Section 27, Township 28  
North, Range 11 West;  
Schlosser Well No. 25, SE/4, Section 27, Township 28  
North, Range 11 West;

West Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

(2) That upon application showing the need for a 90-day extension of time, administrative approval of such extension may be obtained from the Secretary-Director of the Commission.

(3) That prior to the conclusion of the period of evaluation all wells shall be tested, and allowables shall be assigned retroactively to each individual well on the basis of its deliverability at the end of such period.

(4) That any overage accrued as the result of such retroactively assigned allowable shall be compensated for following the end of the period of evaluation, but no well shall be shut-in for overproduction during said period.

(5) 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.

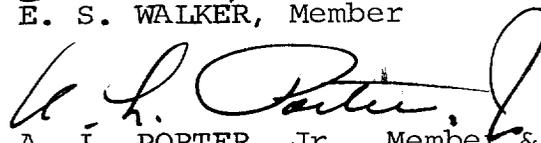
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

S E A L

esr/