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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE No. 2810 Order No. R-2491

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE REVISION OF RULE 401 OF THE COMMISSION RULES AND REG-ULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>28th</u> day of May, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for a revision of Rule 401 of the Commission Rules and Regulations to eliminate the necessity of determining the open flow potential of all gas wells annually, except where such annual tests are required by special rules and regulations, and to require such tests only after initial connection of a well to a gas transportation facility or after reconnection following workovers.

(3) That said rule should also be revised to require that all wells tested in accordance with said rule shall be tested in a uniform manner, that being the method prescribed by the New Mexico Oil Conservation Commission "Manual for Back-Pressure Test for Natural Gas Wells."

(4) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas. -2-CASE No. 2810 Order No. R-2491

IT IS THEREFORE ORDERED:

(1) That Rule 401 of the Commission Rules and Regulations be and the same is hereby revised to read in its entirety as follows:

RULE 401. METHOD OF DETERMINING NATURAL GAS WELL POTENTIAL

All operators shall conduct tests to determine the daily open flow potential volumes of all natural gas wells from which gas is being used or marketed. Such tests shall be reported on forms prescribed by the Commission within 60 days after: (1) the date of initial connection of the well to a gas transportation facility and (2) the date of reconnection following workover.

To establish comparable open flow capacity, wells shall be tested in accordance with the New Mexico Oil Conservation Commission "Manual for Back-Pressure Test for Natural Gas Wells." In the event the Commission approves an alternate method for testing, all wells producing from a common source of supply shall be tested in a uniform and comparable manner.

(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

JCK M. CAMPBELL, Chairman

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

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