Entered Cipil 9, 1968

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. 3744 Order No. R-3399

APPLICATION OF LLOYD B. TAYLOR FOR PRESSURE TESTS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 3, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>9th</u> day of April, 1968, 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, Lloyd B. Taylor, seeks authority to shut in his Vic Walker Well No. 1, located in Unit C of Section 6, Township 31 North, Range 13 West, NMPM, La Plata-Gallup Oil Pool, San Juan County, New Mexico, to conduct pressure build-up tests, and to make up production lost during said tests at a later date.

(3) That it is anticipated the subject well will be shut in for a maximum of 60 days beginning March 8, 1968.

(4) That approval of the subject application will afford the operator an opportunity to gather valuable information concerning reservoir characteristics and extent of the La Plata-Gallup Oil Pool, will be in the interest of conservation, and will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Lloyd B. Taylor, is hereby authorized to shut in his Vic Walker Well No. 1, located in Unit C of Section 6,

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Township 31 North, Range 13 West, NMPM, La Plata-Gallup Oil Pool, San Juan County, New Mexico, for a maximum of 60 days beginning March 8, 1968, in order to conduct pressure build-up tests.

(2) That the operator of the subject well is hereby authorized to accumulate underproduction accruing to said well during the period the well is shut in and produce said underproduction at a later date, provided however, that said underproduction shall be produced only by the subject well, and provided further, that said underproduction shall be produced within 180 days after placing the well back on production.

(3) That the Secretary-Director of the Commission, upon proper application, may approve extensions of time during which the subject well may be shut in to conduct pressure build-up tests and/or to make up accumulated underproduction.

(4) That to obtain administrative approval for said extensions of time, the operator shall submit to the Secretary-Director of the Commission an application for such extensions setting forth the facts and circumstances justifying same. In addition, the applicant shall furnish proof that all operators of proration or spacing units offsetting the unit upon which the subject well is located have been notified of the application. (This notification to offset operators shall consist of the same information that is furnished to the Commission.)

(5) That the provisions of Rule 502, Sections I, II, III, and IV of the Rules and Regulations of the Commission, are hereby suspended for the subject well for the duration of the aforesaid make-up period.

(6) 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.

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STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

HAYS, Member Ъ. GUYTO№

A. L. PORTER, Jr., Membér & Secretary

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