

Entered February 10, 1971
R.H.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. 4494
Order No. R-4101

APPLICATION OF SOUTHERN UNION GAS COMPANY
AND SOUTHERN UNION GATHERING COMPANY FOR
THE SUSPENSION OF CERTAIN PROVISIONS OF
RULES 14(A), 15(A), AND 15(B) OF THE GENERAL
RULES AND REGULATIONS FOR THE PRORATED GAS
POOLS OF NORTHWESTERN NEW MEXICO IN SAN JUAN,
RIO ARRIBA, AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 3, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of February, 1971, 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 by Order No. R-3923, dated February 20, 1970, Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico were suspended for a one-year period beginning February 1, 1970.

(3) That the applicants, Southern Union Gas Company and Southern Union Gathering Company, owners and operators of pipelines connected to gas wells in the aforesaid prorated gas pools, seek the suspension for an additional period of one year from February 1, 1971, of said Rules 14(A), 15(A), and 15(B).

-2-

CASE No. 4494

Order No. R-4101

(4) That there are numerous non-marginal wells in said prorated gas pools that have accumulated underproduction which is subject to cancellation as of February 1, 1971.

(5) That there is such a present and continued need for gas that many of the wells which have accrued the aforesaid underproduction should be able to produce the aforesaid underproduction in addition to the normal allowables by February 1, 1972.

(6) That in order to allow the operators of the above-described non-marginal wells the opportunity to produce their just and equitable share of the reserves underlying said gas pools, the aforesaid Rule 14(A) should be suspended for an additional one-year period from February 1, 1971.

(7) That the suspension of said Rule 14(A) without a corresponding suspension of Rules 15(A) and 15(B), which provide for the shutting in of overproduced wells, would not adequately protect the correlative rights of the operators of wells in the subject pools that are subject to being shut in as of February 1, 1971.

(8) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the prorated gas pools of Northwest New Mexico the opportunity to produce his just and equitable share of the reserves underlying said gas pools, the aforesaid Rules 14(A), 15(A), and 15(B) should be suspended for an additional period of one year from February 1, 1971.

IT IS THEREFORE ORDERED:

(1) That Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico are hereby suspended for an additional period of one year from February 1, 1971.

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

-3-

CASE No. 4494

Order No. R-4101

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

S E A L

esr/