

Entered January 25, 1977
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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. 5842
Order No. R-5358

APPLICATION OF HANAGAN PETROLEUM
CORPORATION FOR AN EXCEPTION TO THE
PROVISIONS OF COMMISSION ORDER
NO. R-1670, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of January, 1977, 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, Hanagan Petroleum Corporation, is the owner-operator of the Catclaw Draw Unit Well No. 9 located in Unit F of Section 35, Township 21 South, Range 25 East, NMPM, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

(3) That by Gas Supplement No. SF-4499 dated August 27, 1976, the Commission ordered said Catclaw Draw Unit Well No. 9 to be shut-in pursuant to the provisions of Rule 15(B) of the Southeast Gas Proration Rules contained in Commission Order No. R-1670, as amended, said well being more than six times overproduced.

(4) That said well was shut-in on August 31, 1976, and has remained shut-in since that time.

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(5) That a 320 pound drop in surface pressure on said well since shut-in is indicative of the build-up of reservoir liquids in the wellbore of said well opposite to and in contact with the productive interval.

(6) That if such liquids are permitted to stand against the face of the productive zone in said well for an extended period of time, the formation may be damaged around the well bore.

(7) That such damage could result in the loss of productivity and ultimate recovery from said well.

(8) That to prevent reservoir damage, applicant seeks an exception to Rule 15(B) of the Southeast Gas Proration Rules contained in Order No. R-1670, as amended, to permit said Catclaw Draw Unit Well No. 9, located in Unit F of Section 35, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to make up its overproduction at a rate less than complete shut-in.

(9) That by periodically producing said well at volumes not to exceed a cumulative total of 20,000 MCF in any month, the well bore may be effectively kept clear of such potentially damaging liquids.

(10) That approval of the subject application will prevent waste and will not violate correlative rights.

(11) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hanagan Petroleum Corporation, is hereby authorized to make up gas overproduction on its Catclaw Draw Unit Well No. 9, located in Unit F of Section 35, Township 21 South, Range 25 East, NMPM, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, at a rate less than complete shut-in.

PROVIDED HOWEVER, that during the period that said well remains subject to the shut-in provisions of Commission Gas Supplement No. SF-4499 and Rule 15(B) of the Southeast Gas Proration Rules contained in Commission Order No. R-1670, as amended, it shall not be produced in excess of a cumulative volume of 20,000 MCF during any calendar month.

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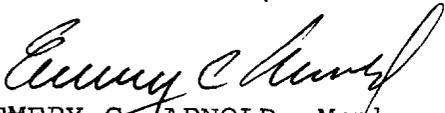
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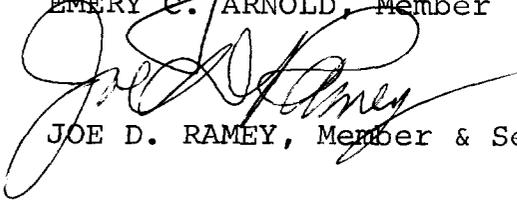
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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