

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. 1545
Order No. R-1285

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION AT THE REQUEST
OF CERTAIN OPERATORS TO DETERMINE
WHETHER ALL WELLS IN THE VERDE-
GALLUP OIL POOL SHOULD BE GRANTED
AN EXCEPTION TO RULE 502 I (a) OF
THE COMMISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of November, 1958, the Commission, a quorum being present, having considered the application and the evidence adduced, 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 certain operators in the Verde-Gallup Oil Pool have requested that all wells in said pool be granted an exception to the daily tolerance provisions of Rule 502 I (a) of the Commission Rules and Regulations.
- (3) That the request is based upon the following grounds:
 - (a) That serious access problems are present in the area of said pool due to the extremely rough terrain.
 - (b) Excessive trips are required of the pumper in the routine operation of the wells due to the fact that electricity is not available as a power source for pumping oil wells in the Verde-Gallup Oil Pool.

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(c) That due to the slow rates of production required by Rule 502 I (a), paraffin problems are severe in said pool.

(4) That for the reasons listed above all wells presently drilled or hereafter completed in the Verde-Gallup Oil Pool should be granted an exception to Rule 502 I (a) of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

That all wells presently drilled or hereafter completed in the Verde-Gallup Oil Pool are hereby granted an exception to the daily tolerance provisions of Rule 502 I (a) of the Commission Rules and Regulations and may be produced at a daily rate not to exceed 200 per cent of the daily top unit allowable or 100 barrels of oil per day whichever is greater.

PROVIDED HOWEVER, That in the event casinghead gas gathering facilities are established in the Verde-Gallup Oil Pool, a hearing will be called to determine whether the pool exception to Rule 502 I (a) granted by this order should be continued.

PROVIDED FURTHER, That nothing contained herein shall be construed as authorizing the production of wells in said pool in excess of the monthly tolerance set forth in Rule 502 II of the Commission Rules and Regulations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



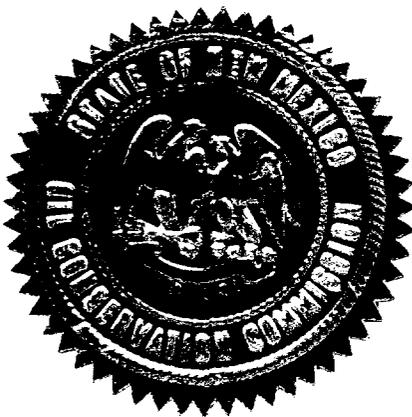
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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