OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

COPY

June 30, 1960

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Dear Mr. Verity:

On behalf of your client, Petro-Atlas, Inc., we enclose two copies of Order R-1619-A in Case 1893 issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order sent to:

Oil Conservation Commission
Hobbs
Aztec

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. 1893
Order No. R-1619-A

APPLICATION OF PETRO-ATLAS, INC.
FOR AN ORDER CANCELLING THE
OVER-PRODUCTION CHARGED AGAINST
ONE GAS WELL IN THE SOUTH BLANCO-
PICTURED CLIFFS POOL, SAN JUAN
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 10, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations, and the cause came on for hearing de novo before the Commission on June 10, 1960.

NOW, on this 30th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced in both hearings, 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, Petro-Atlas, Inc., is the owner and operator of the Aztec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

(3) That said Aztec Well No. 1 was completed in August, 1958, and was connected to a gas gathering facility in November, 1958.

(4) That while a three-hour absolute open flow potential test was taken in August, 1958, and the results were filed on Form C-122, the applicant failed to file Form C-122-A, as required by Order Nos. R-333-C and R-333-D, until September 11, 1959. Form C-122-A is used to report an Initial Deliverability Test, which test is taken under stabilized flow conditions and furnishes the basis for properly prorating a gas well in Northwest New Mexico. The

test reported on Form C-122 is not used in anyway for proration purposes nor is it required to be taken.

(5) That since Form C-122-A was not filed in a timely manner, the well was not assigned an allowable in the proration order and schedule for a consecutive period of some ten months, during which period the operator produced the well.

(6) That accordingly the subject well became considerably over-produced, and the applicant now seeks to have over-production cancelled in an amount equal to the allowable which would have been assigned to the well had Form C-122-A been timely filed.

(7) That each operator has the duty and responsibility not only for conducting such well tests as are required by Commission Rules and Regulations, but also for knowing what the proration schedule reflects as to the status of his wells, and no justification exists for producing a gas well in excess of 60 days when the gas proration schedule shows that no allowable has been assigned to the well.

(8) That even though the failure of an operator to get an allowable properly assigned to a well is the result of unfamiliarty with Commission Rules and Regulations, as appears to have been the situation in this case, to authorize the well's production retroactively to the date the required test should have been filed, would inevitably result in the Commission being unable to properly perform the regulatory functions which it is obligated to perform under the laws of New Mexico.

(9) That the subject application should be denied.

IT IS THEREFORE ORDERED:

That the subject application be and the same is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

esr/