

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 871
SANTA FE

December 21, 1960

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

Re: Case No. 2143
Order No. R-1847

Applicant:

Southern Union Gas Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC _____
Artesia OCC _____
Aztec OCC _____

Other _____

Guy Buell
Atwood & Malone
Booker Kelly
Bill Kastler
Howard Bratton
Jason Kellahin
Oliver Seth
Ben Howell
Garrett Whitworth
A. M. Wiederkehr
Joe Sevier

J. E. Robinson
John Redfern
E. L. Spieles
John Anderson
Wm. Jamison

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. 2143
Order No. R-1847

APPLICATION OF SOUTHERN UNION GAS
COMPANY FOR AN AMENDMENT OF ORDER
NO. R-1670-C TO PROVIDE FOR 640-
ACRE PRORATION UNITS IN THE BASIN-
DAKOTA POOL, SAN JUAN AND RIO ARRIBA
COUNTIES, NEW MEXICO, ON A TEMPORARY
BASIS, AND FOR PERMISSION TO TRANSFER
ALLOWABLES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
December 14, 1960, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 21st day of December, 1960, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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, Southern Union Gas Company, seeks
an amendment of Order No. R-1670-C to provide for 640-acre gas
proration units in the Basin-Dakota Pool, San Juan and Rio Arriba
Counties, New Mexico, on a one-year temporary basis and for
permission to transfer allowables in said pool for testing
purposes.
- (3) That the evidence presented is insufficient to estab-
lish that the Basin-Dakota Pool as a whole can be efficiently and
effectively drained and developed on 640-acre proration units, and,
accordingly, the Basin-Dakota Pool should continue to be developed
on 320-acre gas proration units, at least until such time as
information is available indicating that throughout the pool the
drainage characteristics are such that one well can efficiently
drain an area of 640 acres.
- (4) That the applicant's request for 640-acre gas proration
units in the Basin-Dakota Pool on a one-year temporary basis
should be denied.

-2-

CASE No. 2143
Order No. R-1847

(5) That the applicant's request for permission to transfer allowables in said pool for testing purposes should be granted; provided, however, that the tests and transfer of allowables associated therewith should be accomplished only after obtaining approval therefor from the District Supervisor of the Aztec District Office of the Commission and should be on such terms and conditions, including approval of the area to be tested, as he might require.

IT IS THEREFORE ORDERED:

(1) That the applicant's request for 640-acre gas proration units in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, on a one-year temporary basis be and the same is hereby denied.

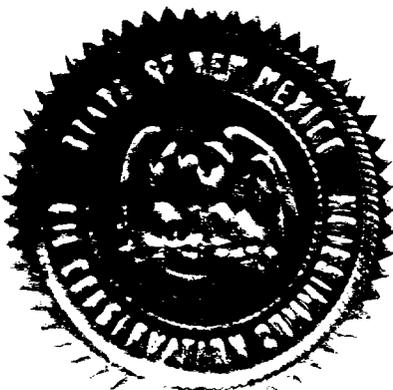
(2) That a procedure be and the same is hereby established under which the District Supervisor of the Commission's Aztec Office may approve the taking of interference tests and the transfer of allowables from shut-in test wells to other wells in the pool if the ownership under the subject leases is identical; provided, however, that all operators offsetting the shut-in well or wells and the wells to which an allowable is to be transferred shall be notified of the application and shall be given 20 days within which to object to such transfer.

Approval of the District Supervisor must be obtained as to the area of the test, the mechanics of the test, the length of shut-in time, and the wells which are to receive the allowable transfer.

(3) The District Supervisor of the Commission's Aztec District Office be and the same is hereby given authority to require tests in such other areas as he may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. H. Porter, Jr.
A. H. PORTER, Jr., Member & Secretary