

The Pool Rules for the Devils Fork-Gallup Pool became effective in 1960 by Order R-1641 and has been amended by several orders.

All wells, both oil and gas wells, in the Devils Fork-Gallup Pool are now marginal according to the volumetric equivalent proration formula now in effect.

The volumetric formula has apparently served the intended purpose.

It is recommended that the pool rules be modified to eliminate the volumetric formula and substitute a gas allocation formula which relates to the oil allocation.

To accomplish this, the following deletions and substitutions should be made:

1. Delete Rules 6 (A), 6 (B), 7 (A), and 7 (B) and substitute the following:

Special Rule 7. Any oil well in the Devils Fork-Gallup Gas Pool which has 80 acres dedicated to it shall be permitted to produce an amount of gas determined by multiplying the top unit oil allowable for said pool by the limiting gas-liquid ratio for the pool, (2000). In the event there is more than one oil well on an 80-acre oil proration unit, the operator may produce the allowable assigned to the 80-acre unit from said wells in any proportion.

Any gas well in the Devils Fork-Gallup Gas Pool shall be permitted to produce that amount of gas obtained by multiplying the top unit allowable for the pool by 2000 by a fraction, the numerator of which is the number of acres dedicated to the particular gas well and the denominator of which is 80. In the event there is more than one gas well on a 320-acre gas proration unit, the operator may produce the amount of gas assigned to the unit from said wells in any proportion.

2. Delete Rule 8 insofar as it relates to tentative allowables or nominations. However, Rules 8 (a) and 8 (b) should remain as is.

3. Delete Rule 11. No minimum allowable to be assigned.

4. Delete Rules 13 thru 15 (D) and substitute the following:

Special Rule 13. Any gas well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such

succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

Special Rule 14. Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

Special Rule 15. Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be compensated for during such succeeding period. Any well which has not compensated for the overproduction carried into a gas proration period by the end of such period shall be shut-in until such overproduction is compensated for. If, at any time, a well is overproduced an amount equalling three times its current monthly allowable, it shall be shut-in during that month and each succeeding month until the well is overproduced less than three times its current monthly allowable.

Rule 15 (E) General Rules Apply.

5. Delete Rules 16 thru 20 and substitute the following:

Special Rule 16. The allowable assigned to a well during any one month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been compensated for.

6. Delete Rule 28

All other rules shall remain as is.

amendment proposed to prevent oil migration

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Special Rule 13.^A Any gas well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such

succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

Special Rule ~~14~~ ^{13B} Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

Special Rule ~~14~~ ^{14A} Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be compensated for during such succeeding period. Any well which has not compensated for the overproduction carried into a gas proration period by the end of such period shall be shut-in until such overproduction is compensated for. If, at any time, a well is overproduced an amount equalling three times its current monthly allowable, it shall be shut-in during that month and each succeeding month until the well is overproduced less than three times its current monthly allowable.

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All other rules shall remain as is.