

including those wells which are shut-in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

RULE 3. Allowables for injection wells may be transferred, to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio or are shut-in for any of the following reasons: pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or changes in characteristics of reservoir liquids or progress of sweep.

RULE 4. The allowable assigned to any well which is shut-in or which is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to produce during the test prescribed by Rule 6, below, or greater than the current top unit allowable for the pool during the month of transfer, whichever is less.

RULE 5. The allowable assigned to any injection well on a 160-acre proration unit shall be top unit allowable for the La Plata-Gallup Oil Pool.

RULE 6. The allowable assigned to any well which is shut-in or curtailed in accordance with Rule 3, shall be determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well should be produced in the same manner and at a constant rate. The daily tolerance limitation set forth in Commission Rule 502 I (a) and the limiting gas-oil ratio (2,000 to 1) for the La Plata-Gallup Oil Pool shall be waived during such tests. The project operator shall notify all operators offsetting the well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission, if they so desire.

RULE 7. The basic allowable assigned to each producing well in the Project shall be equal to the well's ability to produce or to top unit allowable for the pool, whichever is less, provided that any producing well in the project area which directly or diagonally offsets a well outside the La Plata Mancos Unit Participating Area producing from the same common source of supply shall not produce in excess of two times top unit allowable for the pool. Each producing well shall be subject to the