

CASE 4151: Appli. of NORTHERN  
NATURAL FOR SUSPENSION OF CERTAIN  
PROVISIONS OF RULES IN R-1670.

Case Number.

4151

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Application

Transcripts.

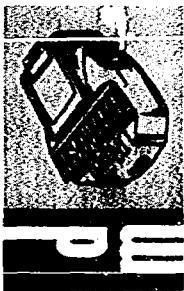
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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

June 25, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Northern Natural  
Gas Company for the suspension of  
certain provisions of Rules 14 (A)  
and 15 (A) of Order No. R-1670,  
as amended, of the General Rules  
and Regulations for the prorated  
gas pools of Southeastern New  
Mexico.

Case 4151

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 25, 1969TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Lewis C. Jameson	Sam G. Dunn Oil Operations	Albuquerque
Jim Welsh	Northern Nat. Gas Co.	Habbs.
HAROLD BARRETT	"	OMAHA, NEBR.
Larry C Gipe	"	" "
JERRY P. GUINANE	"	" "
D. H. Harney	El Paso Natural Gas	El Paso
Guy Buell	Permian Am	FORT WORTH
Bill Wells	Permian Am	Ft. Worth -
Charles Stephenson	Ameriada Hess Corp.	Midland
J. H. Hoover	Gulf Oil Corp.	Roswell, N.M.
C. W. Samboff	Canadaco Production Co.	Ft. Worth
R. E. Henderson	Canadaco Production Co.	Ft. Worth
James Kellaher	Kellaher & Fox	Santa Fe
E. D. McCart	Texaco Inc.	Dalh.
T. B. B. B.		
Jack L. McCallen		Roswell, N.M.
Jack L. McCallen		E. F.
Boyle Kelly	White & K. Kelly	Lubbock, Tex.
J. P. C. Thompson	Thompson Operations Co.	Santa Fe
Nina L. DuHaime	RW Byram & Co.	

MR. HATCH: Case 4151, application of Northern Natural Gas Company for the suspension of certain provisions of Rules 14 (A) and 15 (A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the Applicant. I have associated with me Mr. Larry Gipe, a member of the Nebraska Bar. We have one witness I would like to have sworn.

MR. UTZ: Any other appearances?

MR. HOOVER: John Hoover of Gulf, and we will have a statement.

MR. RAINEY: D. H. Rainey of El Paso Natural Gas. We will have a statement.

MR. STEPHENSON: Charles Stephenson with Amerada Hess. We will have a statement.

MR. UTZ: You may proceed.

(Thereupon, Applicant's Exhibits 1, 2, and 3 were marked for identification.)

HAROLD BARRETT

called as witness by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please?

A Harold Barrett.

Q What is your address?

A 2223 Dodge Street, Omaha, Nebraska.

Q By whom are you employed?

A Northern Natural Gas Company.

Q What is your position with Northern Natural Gas?

A I am Director of the Contract Operations in the Gas Supply Division.

Q Mr. Barrett, as Director of the Contract Operations, what responsibility and duties do you have?

A As the job title implies, I am responsible for the administration of the Company's gas purchase contracts. Northern has no company-owned gas production. It purchases all of its gas requirements under the terms of some 1,400 gas purchase contracts covering production from approximately 3,800 gas wells, and residue gas from approximately 25 plants located in the States of New Mexico, Texas, Oklahoma and Kansas. Included within the administration of contracts is the supervision over making nominations to this Commission, and the allocation of gas to our gas supply sources and individual wells within those sources.

Q Mr. Barrett, have you ever testified before the Oil Conservation Commission of New Mexico?

A No, sir, I have not.

Q Have you previously given testimony before other regulatory bodies?

A Yes, sir, I have previously given testimony before the Federal Power Commission in the Permian Basin area rate proceedings.

Q How long have you been employed by Northern Natural?

A I joined Northern Natural in November, 1947, some 21 or 22 years ago, and have been employed continuously since that time except for two years service in the United States Army. My early duties consisted of gas well operation and field dispatcher in the West Panhandle field in the Texas Panhandle. I joined the Gas Supply Division in 1954 in Hobbs, New Mexico, where I established an Office for the primary purpose of evaluating the deliverability characteristics of gas wells for contract negotiation purposes, and to comply with the well test requirements of this Commission.

In 1956, I moved to Omaha, Nebraska in the capacity of Gas Engineer supervising the activities of our Hobbs Office, and Liberal, Kansas Office which performed the gas well testing function for the entire gas supply areas of Northern Natural.

I assumed the position of Supervisor of Operations in 1959. As Supervisor of Operations, I was directly responsible for all proration and allocation activities of the

Company. In 1961, I was promoted to my present position of Director of Contract Operations.

I am a member of the Society of Petroleum Engineers of AIME, and the American Gas Association.

Q Where did you get your engineering training, Mr. Barrett?

A Entirely with Northern Natural.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, they are.

Q Now, as background for this application, would you briefly outline the operations of Northern Natural Gas Company's system?

A Yes, sir. Northern's market territory is in the Northern Plains area consisting of the States of North Dakota, South Dakota, Nebraska, Minnesota, Wisconsin, Iowa, and a portion of Kansas. The gas that supplies this market is gathered and transported by three major systems; (1) the Permian Basin system, (2) the Delaware Basin system, (3) the Hugoton-Anadarko system.

The supplies available from the Delaware Basin system are connected directly to Northern's main transmission system in Beaver County, Oklahoma by about 365 miles of 30-inch pipeline from Kermit, Texas. This line was completed and placed in operation in late 1967. The supplies available



from the Hugoton-Anadarko areas are likewise attached to Northern's main transmission system in the Panhandle areas of Texas and Oklahoma, and in the State of Kansas.

Northern's Permian Basin is unique in that it is not connected directly to the main transmission system, and the volumes deliverable from the sytem are handled through a long term exchange and transportation arrangement with El Paso Natural Gas Company.

Northern delivers its Permian Basin volumes, presently about 575 million, to El Paso at El Paso's Plains Compressor Station in Yoakum County, Texas. The gas delivered by El Paso near Dumas, Texas, is transported by Northern to its Sunray Compressor Station where it is compressed and delivered into Northern's main line for transmission to the market area.

Q Have you prepared an Exhibit which might help clarify for the Commission the operation of this exchange arrangement with El Paso?

A Yes, sir, I have.

Q Referring to what has been marked as Northern's Exhibit No. 1, would you identify that exhibit and state what it shows?

A Yes, sir. Exhibit No. 1 is a map depicting a portion of Northern's system. The facilities pertinent to

this Hearing are noted on the map. We have indicated near the bottom of the map, the Hobbs Compressor Station through which all of the Lea County production is compressed, and the Plains Measuring Station which is the delivery point for gas delivered to El Paso in exchange.

Farther north or near the top of the map, we have indicated El Paso's Dumas Compressor Station near which Northern accepts deliveries of gas from El Paso and Northern's Sunray and Beaver Compressor Stations. Operation of the Sunray Compressor Station is necessary to enable Northern to take normal volumes from El Paso at Dumas. Any reduction in receipts of gas by Northern from El Paso at Dumas is usually reflected in reduced receipts of gas by El Paso from Northern at the Plains Measuring Station.

Q Now, Northern has stated in its application in the present Case that the allowables subject to cancellation were unproduced largely due to an explosion which disabled its Sunray Compressor Station. Can you explain this more fully?

A Yes, sir. I have prepared a graphic illustration of the impact of the loss of the Sunray Compressor Station upon volumes of gas deliverable from Northern's Permian system, and particularly on production from the Lea County prorated fields.

Q Referring to the graph marked for identification as Northern's Exhibit No. 2, would you state what that shows?

A Exhibit No. 2 is a plot of estimated daily volumes at the Plains Measuring Station, and production from the Lea County prorated fields for the period April 1, 1969 through May 31, 1969. The upper plot is a daily estimate of the volumes delivered to El Paso at Plains, while the lower plot is the estimated daily volumes taken by Northern from the five prorated fields in Lea County during the same period.

As can be seen, on May 8, 1969, while performing routine maintenance on a compressor unit at Sunray, Northern experienced an explosion and fire which disabled the Station. The exact cause of the explosion is not fully known as yet. However, we do know that the maintenance crew had one vertical unit off the line, replacing the rings on a cylinder. As is common practice, after the rings were replaced, a suction and discharge valve were removed from the unit, and the unit was started up to seat the rings. In some manner, an automatic valve on the line from the unit to the high pressure discharge header malfunctioned, and permitted high pressure gas to back flow through the valve opening into the engine room, and the gas was ignited from some source. We do not know why the valve malfunctioned, or how the gas ignited. When the Sunray Compressor Station was lost, Northern's deliveries to El Paso at Plains were significantly reduced as shown by the plot.

It can also be seen on the lower plot that Northern's takes from the Lea County prorated fields experienced a corresponding reduction. In fact, for a period of 7 days, May 9th through 16th, the fields were completely shut-in.

Q Why was it necessary to completely shut-in the Lea County fields?

A Northern's Permian Basin is comprised of two major segments. The west leg of the system handles the gas produced from the Emperor Fields in Winkler County, Texas, and all the gas produced from the Lea County fields. The east leg of the system handles the gas produced from gas fields and plants in Texas.

The gas in the two segments is measured separately at our Plains Measuring Station, and delivered to El Paso at that point. Approximately 65 to 70 percent of the total production connected to the east leg of Northern's Permian System is plant residue gas and marginal well gas.

When the sudden reduction and deliveries from Northern's Permian System occurred due to the loss of the Sunray Compressor Station, it was necessary to shut-in our gas well production in Lea County for a time in order to prevent flaring of residue gas. By rearranging the flow of gas in our transmission lines, we were able to bring our Lea County production back on the line on May 16, 1969,

and maximimize our Permian System deliveries to El Paso at Plains.

The steps taken in changing our mode of system operation were necessarily cut-and-try efforts, and it required time to reach the optimum operating level. We also feel this type of operation is not desirable under normal conditions, but believe it to be expedient under the emergency situation we found ourselves in.

Q Northern has also stated in its application that it expected the Sunray Compressor Station to be repaired on or near June 13, 1969. Has the Station been repaired and placed in operation?

A Yes, sir. The repairs have been completed, and Northern started the Station up during the afternoon of June 10, 1969. We are now operating the Station at near normal capacity.

Q Now, Mr. Barrett, are you familiar with the application that Northern Natural Gas Company filed in Case 4151?

A Yes, sir, I am familiar with the application.

Q What is Northern Natural asking in this application?

A Northern is asking that the Commission issue an Order granting a temporary exception to or suspension of Rules 14 (A) and 15 (A) of the General Rules and Regulations,

Southeastern New Mexico, as contained in Order No. R-1670 for the Blinbry, Eumont, Jalmat, Monument-McKee, and Tubb Pools, and that suspension or exception be granted for a period beginning July 1, 1969 and lasting until July 1, 1970, only insofar as said Rules would require cancellation of gas allowable remaining unproduced and carried forward which are or will be subject to cancellation on July 1, 1969 and January 1, 1970.

Q You say only insofar as it requires cancellation of unproduced gas allowables. The application would also suspend the balancing period on the overproduction, would it not?

A An exception or suspension of Rule 15-A would require this.

Q If the Commission sees fit to grant Northern Natural the relief requested, can Northern make up sufficient volumes of underproduction so that there will be no cancellation of underproduced allowables on July 1, 1970?

A Yes, sir, I believe we can do so.

Q Do you believe that Northern Natural could do this in less than a year, say perhaps in six months?

A No, sir, I don't believe a six-month extension will allow us enough time to make up the underproduction.

Q Have you prepared an exhibit which will show your

estimated takes, and how you plan to make up the underproduction?

A Yes, I have.

Q Referring to what has been marked as Northern's Exhibit No. 3, would you identify that exhibit?

A Exhibit No. 3 is a six-page exhibit containing statistical information relative to estimated allowables, production and status of Northern Natural's connected wells in the five prorated fields in Lea County for the three balancing periods commencing January 1, 1969 and ending July 1, 1970. Pages 2 through 6 contain data attributable to each individual gas field, and Page 1 is a summary of the data for all five prorated fields.

Q Would you please continue with your discussion in a little more detail as shown on the exhibit?

A Yes, sir. Page 1, or the summary sheet, is divided into six columns. Column 1 is the months during each balancing period for the three balancing periods shown. Column 2 is the current allowable, actual were available and estimated thereafter, attributed to wells connected to Northern Natural's system for each of the months in the three balancing periods. Column 3 is the estimated monthly production from wells connected to Northern Natural's system for the same period. Column 4 is the monthly status of Northern Natural's connections, or simply Column 2 minus Column 3. Column 5 reflects what we referred to as our

balance status of the underage attributable to our connections. In our Column 6 is the net cumulative status of all our connections.

Q Can you explain the difference between Columns 5 and 6?

A Yes, sir. Column 5 reflects only the underproduction attributable to Northern Natural's connected wells which must be made up prior to the end of the balancing period or be subject to cancellation, whereas Column 6 reflects both underproduction and overproduction resulting in a net cumulative status.

Column 5 is also an indicator as to how we are progressing with regard to making up underproduction during a balancing period.

As an example, at the top of the page, the underproduction attributed to Northern Natural's connected wells as of December 31, 1968 amounted to 2,865,872 Mcf. This 2,865,872 Mcf must, under the Commission's rules, be made up before June 30, 1969, or that portion that is not made up will be cancelled. In this case, the estimated balanced status as of June 30, 1969 is 1,171,045 Mcf, and this 1,171,045 Mcf is subject to cancellation.

Q That is the amount you want continued in effect, then, for a period of one year in order to make up your



underproduction?

A Yes, that's correct.

Q Now, I notice in the make-up as shown in Column 5 during the months when the production was less than current allowable, that is the monthly status of Column 4 reflects a current underproduced status, is that correct?

A Yes, sir, that is correct. This is the effect of balancing overproduced wells, and scheduling individual well production so that certain underproduced wells are produced in excess of the current allowable during a particular month in the balancing period, so that make-up of underage on individual wells can occur during months when total production is less than total current allowables.

Q Would you continue with your discussion of Exhibit 3?

A Yes, sir. I believe an analysis of the exhibit reveals that it will require a year for Northern to make up the underproduction, assuming our estimates of future allowables are reasonably accurate. This exhibit indicates that Northern Natural will have approximately 1,300,000 Mcf subject to cancellation on December 31, 1969, but that by June 30, 1970 all under production subject to cancellation has been made up and that Northern's total connections are in good shape relative to net cumulative status.

Q Mr. Barrett, if the Commission grants the requested relief, does Northern have a market for this gas and the necessary physical facilities to take it?

A Yes, sir, I believe we do. We have recently received Federal Power Commission approval to install, and have recently completed the installation of about 33 miles of 16-inch pipeline and 2,000 compressor horsepower, at a cost of about \$3,000,000, which will enable us to take about 75 million cubic feet of gas from the Puckett Fields in Pecos County, Texas into our Delaware Basin system near the Gomez Field in Pecos County, Texas. The installation of this facility gives us the operation flexibility to reduce the total volume in the east leg of our Permian system which otherwise would flow northward for delivery to El Paso at Plains, and thereby create additional capacity for Lea County production.

Q Do you believe the granting of this application by the Commission will result in waste or damage to the correlative rights of anyone?

A No, sir, I do not.

Q Were Exhibits 1, 2, and 3 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: At this time, I would like to offer

in evidence Exhibits 1, 2, and 3.

MR. UTZ: Without objection, Exhibits 1 through 3 will be entered into the record of this Case.

(Thereupon, Applicant's Exhibits 1 through 3 were admitted in evidence.)

MR. KELLAHIN: That completes the direct examination.

#### CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Barrett, on your Column 5, I note that the period beginning July, 1969, your balance status is under 5,333,878, and then you dropped down and the figure is three point nine something. Why is that balance status so big there, or am I interpreting this wrong?

A No, sir, I don't believe you are. The answer to that, I believe, is that in balancing these individual wells, we accumulate additional overproduction on other wells, that is on wells that do not go to make up this status as of the end of June. So we have accumulated more underproduction, and go in with a higher underproduced figure into the period. But during the month of July, we make up that approximately 1.4 billion of underproduction during that month.

Q Well, the underage you accumulate during the preceding period beginning December 31, 1968 would be shown

in Column 6, wouldn't it? That is the true status, right?

A That's correct. We put these estimates together, Mr. Examiner, on an individual well basis with a computer program we have, and this is a summation of each well's status.

Q You are working on more balance to begin with the next period?

A Yes, sir.

Q Mr. Barrett, in your application you have asked for an exception for one year of Rule 14-A and 15-A, with 14-A being the underproduction portion of your balancing, and 15-A being the overproduction of the balancing procedure.

Now, 15-A includes the six-times -- the second paragraph of that Rule includes the six-times provision. Is it my understanding you are requesting that the wells be allowed to overproduce more than six times, or would it be satisfactory with you to continue to enforce the six-times rule?

MR. KELLAHIN: If the Examiner please, I believe the application that was filed made no mention of the overproduction, and that was advertised at the initiation of the Commission. So I don't know we have any position on it, actually?

A I am not sure we do, either. We are not faced with

that particular problem at this time.

Q (By Mr. Utz) As far as you are concerned, it would be all right to curtail the overproduced wells, then, without cancelling the underproduction?

A I don't believe I would have any objection to that.

MR. KELLAHIN: If the Examiner please, I believe that it pretty much has been the Commission's position in other cases that if you are going to cancel the balancing period for underproduction, you would also cancel it for overproduction, and carry everybody on the same status.

MR. UTZ: I think that's correct.

MR. KELLAHIN: We have no objection to that procedure. As the witness stated, they are really not concerned with any overproduction at the moment.

MR. UTZ: Of course, we may hear something about that a little later.

Q (By Mr. Utz) Now, what you are asking for here is an exception to the Rule 14-A, and insofar as your balancing procedure is concerned, you would like for 14-A to be accepted for two proration periods, or a period of one year. Are you requesting that that one year period be considered as one balancing period, rather than two balancing periods?

A I believe it could be handled that way for our

purposes.

Q Well, Mr. Barrett, if it isn't handled that way, then you will have a new status to start balancing against in July -- no, in January, 1970, is that right?

A That is true.

Q And that balancing would be carried over into the succeeding six-month period?

A That's correct.

Q It would not enable you to get in balance quite as soon. If that is what you want, it is all right. But a year from now, you are going to have a lot of balancing to do unless it is handled that way. In other words, it is one proration period rather than two?

A I think we would like one, handled as one proration period.

Q In that event, then we are going to have to do something about Rule 13, which defines the six-month proration period, is that correct?

A I'm not sure I am familiar with Rule 13, but I will accept your word.

Q That 7:00 o'clock A.M. January 1 to 7:00 o'clock A.M. July 1, as being the proration period?

MR. KELLAHIN: If the Examiner please, I think if you suspend the operation of the rule, why, the order

suspending it would carry with it the implication that you are affecting Rule 13. But I don't know that we would technically be changing the proration period, but just be suspending the operation of the rule for that period of time.

MR. UTZ: If you agree to one proration period, then we are --

MR. KELLAHIN: This is true, you would be affecting Rule 13.

Q (By Mr. Utz) It is my understanding, then, that you would like to see your period treated as one proration period?

A That's correct.

Q In regard to underproduction, we have Rule 16-A, which requires every six months the cancellation of a certain amount underage accrued to wells that have not made their allowables. If you went ahead with 16-A, then a considerable amount of this underage that you are requesting here would be cancelled at the end of this current period.

A By the end of the current period, do you mean --

Q What would be your position with regard to 16-A?

A By the end of the current period, do you mean June 30, 1969?

Q Yes.

A My position with respect to Rule 16-A is that we wouldn't like to see any well classified as marginal and underage attributed to it cancelled.

Q In other words, you would feel that there would be some producible underage cancelled?

A Yes, sir, we feel there could be.

Q That would be your position, that we should not reclassify that?

A Yes, sir.

MR. UTZ: Any other questions of the witness?

The witness may be excused. Do you have any other witnesses?

MR. KELLAHIN: That is all.

MR. UTZ: Any statements with regard to this Case?

MR. HOOVER: John Hoover of Gulf Oil Corporation. Gulf Oil Corporation as the major seller of gas to Northern Natural Gas Company, operates 138 wells in the Blinbry, Eumont, Jalmat, Monument-McKee, and Tubb gas pools. If this application is not approved, Gulf will suffer a cancellation of significant gas allowables as of 7:00 o'clock A.M., July 1, 1969. Since this accumulation is due to circumstances beyond its control, Gulf concurs with Northern Natural's request for a one year exception of time to produce this gas.

Gulf respectfully submits that the granting of



this application is necessary to protect correlative rights. The State of New Mexico is the royalty owner under many of these leases, and it will also be protected if this application is granted.

MR. UTZ: Any other statement?

MR. STEPHENSON: I am Charles Stephenson with Amerada Hess Corporation. Amerada Hess supports Northern Natural in their application in this case.

MR. UTZ: Any other statement?

MR. RAINEY: D. H. Rainey with El Paso Natural Gas Company. El Paso has no objection to the granting of this application. I might point out one factor in regard to setting up this as a one year proration period. I think the statutory provisions require that you have six-month proration periods.

MR. KELLAHIN: I believe the statute says not less than six.

MR. RAINEY: Not less than six, excuse me. I wonder what the proposal would be as far as the classification of wells as marginal wells in January, 1970, if they are not capable of producing their allowable from July 1, 1969 to January 1, 1970?

MR. UTZ: If we correct Rule 16-A for two proration periods, they won't be classified until the middle of 1970.

MR. RAINEY: I think you might conceivably have a lot of allowable that might be just laying there, then --

MR. UTZ: This could be. I would be happy to talk that situation over with you a little bit later on, particularly in regard to our situation in the San Juan Basin at the present time. The way we wrote that Order is one of the reasons I am clarifying this right now.

MR. RAINEY: Well, that one did provide for cancellation of marginal allowable.

MR. UTZ: Yes, but it didn't provide for one proration period, and that is a good question. Any other statement?

MR. HATCH: I have communications from Atlantic Richfield, American Petrofina Company of Texas, William A and Edward R. Hudson, Pan American Petroleum Corporation, Cities Service Oil Company, Sun Oil Company, Mobil Oil Corporation, Getty Oil Company, Skelly Oil Company, and Texaco Oil supporting the Applicant in this Case.

MR. UTZ: Any other statements or letters?  
The Case will be taken under advisement.

I N D E XWITNESSPAGE

HAROLD BARRETT

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Utz

16

EXHIBITSMARKEDADMITTED IN  
EVIDENCEApplicant's Exhibits 1  
through 3

2

16

STATE OF NEW MEXICO )  
 ) SS.  
 COUNTY OF BERNALILLO )

I, SAMUEL MORTELETTE, Court Reporter in and  
 for the County of Bernalillo, State of New Mexico, do  
 hereby certify that the foregoing and attached Transcript  
 of Hearing before the New Mexico Oil Conservation Commission  
 was reported by me, and that the same is a true and correct  
 record of the said proceedings, to the best of my knowledge,  
 skill and ability.

*Samuel B. Mortelette*

I do hereby certify that the foregoing is  
 a complete and correct transcript of the proceedings in  
 the ~~State~~ Hearing of Case No. 4157  
 held at Albuquerque on June 25, 1969  
Samuel B. Mortelette Secretary  
 New Mexico Oil Conservation Commission



**OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO  
P. O. BOX 2038 - SANTA FE  
87501

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

August 4, 1969

Mr. Jason W. Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4151  
Order No. R-3805  
Applicant:  
Northern Natural Gas Company

Dear Sir:

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

Very truly yours,

Very truly yours,  
G. L. Carter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC\_\_\_\_\_

Aztec OCC\_\_\_\_\_

Other

Case. 4151

Heard 6-25-69

Rec. 7-3-69

Grant Northern their request  
for an exception to the  
cancellation rules - R 1670  
as follows for Edmund,  
Jalmar, Mon. McLee, Subb-  
Gas & cols:

Rule 13 should be suspended.  
covering the period 7-1-68  
thru 7-1-69 to be one  
protection period.

Rule 15 (A) should be suspended  
for the 1 year period except  
the portion pertaining to  
to times off.

Rule 16 (A) should be suspended  
so that no em drag shall  
be cancelled as a result of  
classification.

Rule 14 (A) should be suspended  
to allow 1 year to be made up.  
This should correct some of  
the errors made in R-3479.  
Tom, Eric & the

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. 4151  
Order No. R-3805

APPLICATION OF NORTHERN NATURAL GAS COMPANY  
FOR THE SUSPENSION OF CERTAIN PROVISIONS OF  
RULES 14(A) AND 15(A) OF ORDER NO. R-1670,  
AS AMENDED, OF THE GENERAL RULES AND REGULA-  
TIONS FOR THE PRORATED GAS POOLS OF SOUTH-  
EASTERN NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of August, 1969, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Northern Natural Gas Company, is  
the owner and operator of a pipeline connected to many gas wells  
in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas  
Pools, Lea County, New Mexico.

(3) That the applicant seeks suspension for a period of  
one year of that provision of Rule 14(A) of the General Rules and  
Regulations for the Prorated Gas Pools of Southeast New Mexico,  
promulgated by Order No. R-1670, as amended, as to the Blinebry,  
Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, Lea County,  
New Mexico, that provides that any underproduction carried

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CASE No. 4151

Order No. R-3805

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

(4) That the aforesaid company is connected to many non-marginal wells in said gas pools that have accumulated underproduction which is subject to cancellation as of July 1, 1969, and January 1, 1970.

(5) That an explosion disabled the applicant's Sunray, Texas, compressor station on May 8, 1969; that said disablement has prevented and will prevent the applicant from producing said accumulated underproduction prior to the normal cancellation dates of July 1, 1969, and January 1, 1970.

(6) That the applicant has a need for this unproduced gas, which is subject to cancellation July 1, 1969, and January 1, 1970, and it appears that it will be able to produce said gas in addition to current allowables during the one-year period commencing July 1, 1969.

(7) That unless the cancellation of underproduction is suspended for a period of one year commencing July 1, 1969, producers in the subject pools to whose wells Northern Natural Gas Company is connected will be denied the opportunity of producing their fair share of the gas reserves underlying the subject pools.

(8) That all other operators in said pools should have the same opportunity to produce gas for which allowables have been granted, and which remain unproduced and subject to cancellation July 1, 1969, and January 1, 1970.

(9) That it would be inequitable to suspend cancellation of underproduction for a period of one year without also suspending the shutting in of overproduced wells for a like period.

(10) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, Lea County, New Mexico, the opportunity to produce his just and equitable share of the reserves underlying said gas pools, the provisions of Rules 14(A), 15(A), and 16(A) that provide, respectively, for the cancellation of unproduced allowables, the shutting in of overproduced wells, and the reclassification of non-marginal wells, should be suspended for a period of one year commencing July 1, 1969.



-3-

CASE No. 4151  
Order No. R-3805

IT IS THEREFORE ORDERED:

(1) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells have accrued underproduction which is subject to cancellation as of July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to produce said accrued underproduction.

(2) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells accrue underproduction during the gas proration period beginning July 1, 1969, and ending December 31, 1969, shall have until December 31, 1970, in which to produce said accrued underproduction.

(3) That underproduction accrued by wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools during the gas proration period beginning January 1, 1970, and remaining unproduced at the end of the gas proration period beginning July 1, 1970, shall be cancelled January 1, 1971, in accordance with Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(4) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells have accrued overproduction and which are subject to being shut in therefor July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to make up said overproduction.

(5) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which wells accrue overproduction during the period beginning July 1, 1969, and ending December 31, 1969, shall have until December 31, 1970, in which to make up said overproduction.

-4-

CASE No. 4151  
Order No. R-3805

(6) That any well in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools which accrues overproduction during the gas proration period beginning January 1, 1970, and does not make up said overproduction by the end of the gas proration period beginning July 1, 1970, shall be shut in until such overproduction is made up in accordance with Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(7) That Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, is hereby suspended as to the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, for a period of one year beginning July 1, 1969, insofar and only insofar as said rule provides for the reclassification of non-marginal wells.

(8) That that portion of Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, that provides for the shutting in of a well that is overproduced an amount equalling six times its current monthly allowable shall be unaffected by this order.

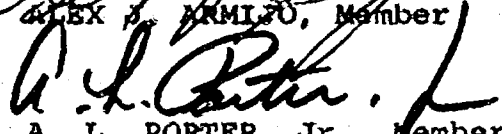
(9) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

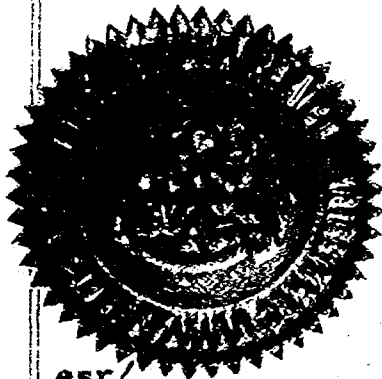
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMILLO, Member

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



esr/

Docket No. 18-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1969

9 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4151:

Application of Northern Natural Gas Company for the suspension of certain provisions of Rules 14 (A) and 15 (A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico. Applicant, in the above-styled cause, seeks suspension, for a period of one year from July 1, 1969, of those provisions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide, respectively, for the cancellation of unproduced allowable and the shutting-in of overproduced wells. Applicant seeks said suspension for the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools.

CASE 4152:

Application of Anadarko Production Company for an amendment of Order No. R-3628, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3628, which authorized the institution of a waterflood project in the Loco Hills Sand Unit Area, Loco Hills Pool, by the injection of water through certain wells located in Township 18 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to delete 3 injection wells located or to be located in Section 4 of said Township and Range and to substitute in lieu thereof the following 3 wells in said Section 4;

A well to be drilled 2460 feet from the North line and 180 feet from the East line;

A well to be drilled 1980 feet from the South and West lines;

A well to be drilled 10 feet from the South line and 1650 feet from the West line.

Applicant further seeks a procedure whereby other injection wells may be substituted administratively for those previously authorized in order to have an efficient injection pattern.

CASE 4141:

(Readvertised)

Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the

Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 6, Township 22 South, Range 36 East, Jalmat Field, Lea County, New Mexico.

- CASE 4153: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp and Pennsylvanian formations in the interval from approximately 9508 feet to 10,000 feet in its L. W. Ward Well No. 5 located in Unit J of Section 11, Township 13 South, Range 38 East, Bronco-Wolfcamp Pool, Lea County, New Mexico.
- CASE 4107: (Continued from the April 23, 1969 Examiner Hearing)  
Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4144: (Continued from the June 4, 1969, Examiner Hearing)  
Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.
- CASE 4154: Application of Pan American Petroleum Corporation for a pool creation and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Blinebry oil pool for its State "C" Tract 11 Well No. 3 located in the NW/4 SE/4 of Section 2, Township 21 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 28,510 barrels to said well.
- CASE 4155: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said

(Case 4155 continued)

exception would be for the applicant's wells located in Sections 28 and 33, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in said sections.

CASE 4156: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's wells located in the SE/4 and NE/4, respectively, of Section 13 and 24, Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant, seeks authority to dispose of salt water produced by said wells in unlined surface pits located in said quarter sections.

CASE 4157: Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eunice-Monument Unit Area comprising 1516 acres, more or less, of State and fee lands in Township 20 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 4158: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Eunice-Monument Unit Area by the injection of water into the Grayburg and San Andres formations through 18 wells located in Section 24, Township 20 South, Range 36 East, and in Sections 19, 20, 21, 29 and 30, Township 20 South, Range 37 East, Eunice-Monument (Grayburg-San Andres) Pools, Lea County, New Mexico.

CASE 4159: Application of Southwestern Natural Gas Company, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill at an unorthodox oil well location 2310 feet from the North line and 1980 feet from the West line of Section 27, Township 15 South, Range 32 East, North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.



PETROLEUM PRODUCTS

PRODUCING DEPARTMENT-  
UNITED STATES  
MIDLAND DIVISION  
DARRELL SMITH  
DIVISION MANAGER

June 23, 1969

MAIN OFFICE  
JUN 24 AM 9 18  
TEXACO INC.  
P. O. BOX 3109  
MIDLAND, TEXAS 79701

CASE 4151 - NORTHERN NATURAL GAS COMPANY  
EXCEPTION TO ORDER NO. R-1670  
HEARING DATE JUNE 25, 1969  
LEA COUNTY, NEW MEXICO

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

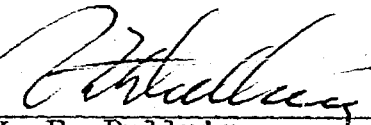
Texaco Inc. concurs with the applicant and recommends approval by the New Mexico Oil Conservation Commission of the recommendations made by Northern Natural Gas Company in Case 4151. Texaco Inc. is an interested party in this application having gas reserves in the area of concern in Lea County, New Mexico that are committed under contract to the applicant, Northern Natural Gas Company.

The applicant requests an order from the Commission granting a temporary exception to or suspension of Rule 14(A) of the General Rules and Regulations, southeastern New Mexico, as contained in Order No. R-1670 for the Blinbry, Eumont, Jalmat, Monument-McKee and Tubbs Pools, with such approval granted for a period beginning July 1, 1969 and lasting until July 1, 1970. Due to an explosion May 8, 1969, which disabled the applicant's Sunray, Texas, Compressor Station, production from wells in the subject area was curtailed. The requested exception will permit the make-up of lost production resulting from the temporary curtailment.

Yours very truly,

Darrell Smith

By

  
V. F. Dullnig  
Assistant Division Manager

CLW/pw

cc: Northern Natural Gas Company  
2223 Dodge Street  
Omaha, Nebraska 68102



# SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

## PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION  
GEORGE W. SELINGER, MGR. CONSERVATION  
D. E. SMITH, MGR. TECHNICAL SERVICES  
J. R. TEEL, MGR. JOINT OPERATIONS

June 19, 1969

Re: Case 4151

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

The Commission has scheduled for hearing on June 25, 1969, the application of Northern Natural Gas Company for a temporary suspension or exception to the provisions of Rule 14(A) of Order No. R-1670, pertaining to the cancellation of unproduced gas allowables in the Blinebry, Eumont, Jalmat, Monument-McKee and Tubb Pools.

Skelly Oil Company, as an interested operator in these fields, wishes to advise the Commission that it concurs with the application of Northern Natural Gas Company, and urges the Commission to enter its order granting the relief requested.

Yours very truly,

RJJ:br

cc-Northern Natural Gas Company  
2223 Dodge Street  
Omaha, Nebraska 68102

CÉLEBRATING OUR

50th ANNIVERSARY

Getty Oil Company

Mid-Continent Division J. E. Pierce, West Texas District Production Manager

P.O. Box 1231, Midland, Texas 79701

MAIN OFFICE

JUN 23 4 15 PM '69

June 20, 1969

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico

Attention: Mr. Elvis A. Utz, Examiner

Re: Examiner Hearing  
Docket No. 18-19  
Case 4151

Gentlemen:

Getty Oil Company concurs with Northern Natural, in that, the granting of their application, as described under Case 4151, would be a just and equitable solution to the unavoidable cumulation of unproduced allowables by wells connected to Northern Natural in those pools as mentioned in their application.

Very truly yours,

*J E Pierce*

WCS:nr

cc: Mr. H. E. Barrett  
Northern Natural Gas Co.  
2223 Dodge Street  
Omaha, Nebraska 68102

Mr. C. L. Wade  
Box 249  
Hobbs, New Mexico 88240



# Mobil Oil Corporation

June 16, 1969

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

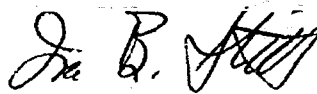
att: Mr. A. L. Porter

APPLICATION OF NORTHERN NATURAL  
GAS COMPANY FOR THE SUSPENSION  
OF RULES 14(A) AND 15(A) OF  
ORDER NO. R-1670 SOUTHEASTERN  
NEW MEXICO

Gentlemen:

Mobil Oil Corporation, as an operator in the Blinbry, Eumont and Tubb Gas Pools, supports and recommends approval of Northern Natural Gas Company's application for a one year suspension from July 1, 1969, of the provisions of Rules 14(A) and 15(A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico.

Very truly yours,



Ira B. Stitt  
Division Operations Engineer

CRKreuz/mkw

MAIN OFFICE  
P.O. BOX 633  
MIDLAND, TEXAS 79701  
JUN 22 1969



**SUN OIL COMPANY** **SUNOCO DIVISION**

SOUTHLAND CENTER, P. O. BOX 2880, DALLAS, TEXAS 75221

PRODUCTION DEPARTMENT  
TOM F. HILL  
Manager, Southwest Division  
F. G. PRUTEMAN  
Superintendent, Operating Department



MAILED  
'69 JUN 20 AM 8 37

June 18, 1969

State of New Mexico  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Northern Natural Gas Company  
Request for Suspension of  
Balancing Rules

ATTENTION: MR. A. L. PORTER, JR.

Dear Sir:

We have a copy of Northern Natural Gas Company's request for suspension of balancing rules for July 1, 1969 and January 1, 1970 because of their explosion and fire at the Sunray Texas compressor plant.

Sun Oil Company has wells connected to Northern Natural system and although our wells are essentially in balance, we have no objection to Northern Natural receiving the relief requested.

Yours very truly,

SUN OIL COMPANY

A. R. Ballou

ARB:jv  
cc: Northern Natural Gas Company  
2223 Dodge Street  
Omaha, Nebraska 68102

CITIES SERVICE OIL COMPANY



Bartlesville, Oklahoma 74003  
Telephone: 918 FE 6-2200

June 17, 1969

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr., Secretary

Re: Case No. 4151 Application of Northern Natural Gas Company  
to Temporarily Suspend Balancing of Production Rules -  
Specified Fields - Southeastern New Mexico  
Hearing June 26, 1969

Dear Mr. Porter:

Cities Service Oil Company recommends the approval of the application of Northern Natural Gas Company in the above captioned matter. If the balancing of gas production rules are not suspended in the fields in which Northern has connections, the producers and the Commission will be faced with the filing and processing of a monumental amount of applications involving the reinstatement of cancelled underage which will be made necessary in order to preserve equities in the areas. This unnecessary time-consuming work can and should be avoided. In our opinion the granting of this application will provide a fair and expedient means of alleviating the problems resulting from the compressor disablement.

Yours very truly,

R. E. Adams  
Conservation Coordinator

REA:jes

# PAN AMERICAN PETROLEUM CORPORATION

D. L. RAY  
DIVISION ENGINEER

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76104  
June 17, 1969

MAILED

JUN 19 8 21

File: GHF-277-986.510.1  
Subject: Suspension of Balancing Rules  
in Southeast New Mexico  
Blinbry, Eumont, Jalmat,  
Monument-McKee, and Tubb Pools

Mr. A. L. Porter, Jr.—Secretary-Director  
New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico 87501

Dear Sir:

We have been informed of Northern Natural Gas Company's request for suspension of the under production balancing rules for the subject fields for a period of one year from July 1, 1969. Pan American hereby supports Northern Natural in their request.

Yours very truly,

*D. L. Ray*

WCW:sh

cc: Messrs. Guy Buell, Fort Worth, Texas  
J. E. York, Hobbs, New Mexico  
Northern Natural Gas Company  
2223 Dodge Street  
Omaha, Nebraska 68102  
Attn: Mr. Harold E. Barrett

*William A. & Edward R. Hudson*  
*1510 First National Building*  
*Fort Worth, Texas*

June 18, 1969

MAIN OFFICE

'69 JUN 19 AM 8 27

New Mexico  
Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

Northern Natural Gas Company has made application to the New Mexico Oil Conservation Commission for suspension or the making of an exception to the balancing rules for a period of one year from July 1, 1969.

We have received a copy of Northern's application, and support this application.

Yours truly,

WILLIAM A. & EDWARD R. HUDSON

By: 

ERHJr/lis



AMERICAN PETROFINA COMPANY OF TEXAS  
POST OFFICE BOX 1311 • BIG SPRING, TEXAS 77401  
June 16, 1969

MAIN OFFICE ONLY  
JUN 18 AM 8 35

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

American Petrofina Company of Texas supports the application of Northern Natural Gas Company for a temporary suspension of or exception to the provision of Rule 14(A) of order No. R-1670 pertaining to the cancellation of unproduced gas allowables in the Blinery, Eumont, Jalmat, Monument-McKee and Tubb Pools in their hearing June 25, 1969.

Yours very truly,

J. M. Denson  
Asst. Dist. Mgr. of Production

JMD/js

cc: Northern Natural Gas Company  
2223 Dodge Street  
Omaha, Nebraska 68102

**CLASS OF SERVICE**

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL  
CHAIRMAN OF THE BOARD

R. V. (558)  
PRESIDENT

**SYMBOLS**

DL=Day Letter  
NL=Night Letter  
LT=International  
Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

LA139 SSR475

1969 JUN 20 PM 6 00

L RWA044 HO PDF=ROSWELL NMEX 20 434P MDT=

A L PORTER JR=

NEW MEXICO OIL CONSERVATION SANTA FE NMEX=

SUBJECT NMOCC EXAMINER HEARING JUNE 25 1969 CASE NUMBER  
4151 ATLANTIC RICHFIELD CO SUPPORTS NORTH NATURAL GAS CO  
IN ITS APPLICATION TO SUSPEND FOR ONE YEAR RULE 14A AND  
15A OF NEW MEXICO OIL CONSERVATION COMMISSION ORDER  
R=1670 AS IT PERTAINS TO THE BLINEBRYN TUBB, EUMONT,  
JALMAT AND MONUMENT MCKEE POOLS. ATLANTIC RICHFIELD CO  
WILL LOSE SUBSTANTIAL ALLOWABLE IF THIS RELIEF IS NOT  
GRANTED=

W P TOMLINSON DISTRICT ENGINEER==

WUI201(R2-65)

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



EXHIBIT \_\_\_\_\_  
WITNESS \_\_\_\_\_  
CASE NO. \_\_\_\_\_

**OPERATING CONDITIONS**  
MMCF/D

Station **Normal** **Present**

Beaver --- 31.0 --- 31.0  
Misc. --- 4.0 --- 4.0

Sunray --- 541.0 --- 340.0  
Dumas --- 576.0 --- 375.0

Plains --- 576.0 --- 375.0

NEW  
MEXICO

HOERS COMP. STA.

SUNRAY COMP. STA.

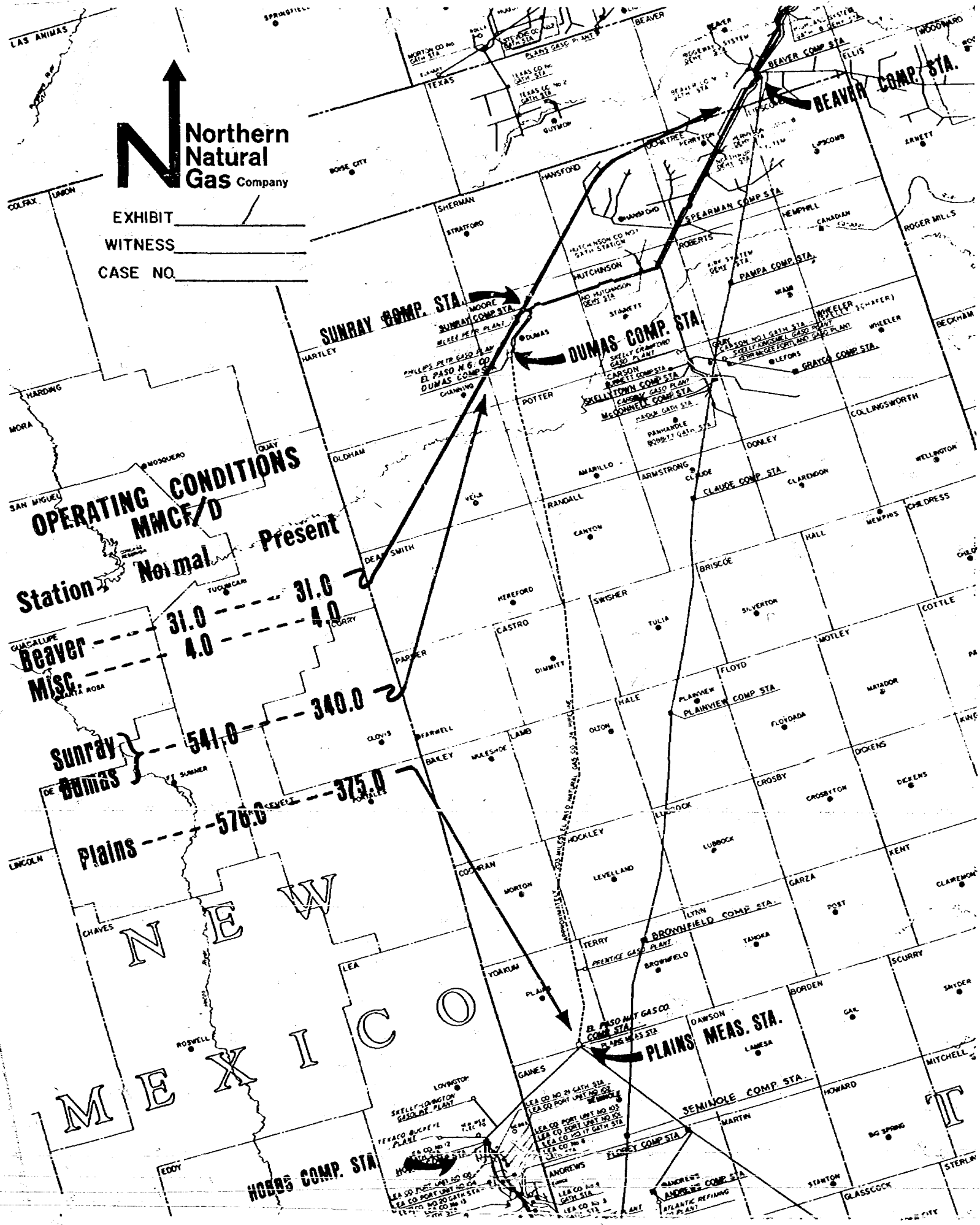
DUMAS COMP. STA.

BEAVER COMP. STA.

PLAINS MEAS. STA.

SEMINOLE COMP. STA.

ANDREWS COMP. STA.

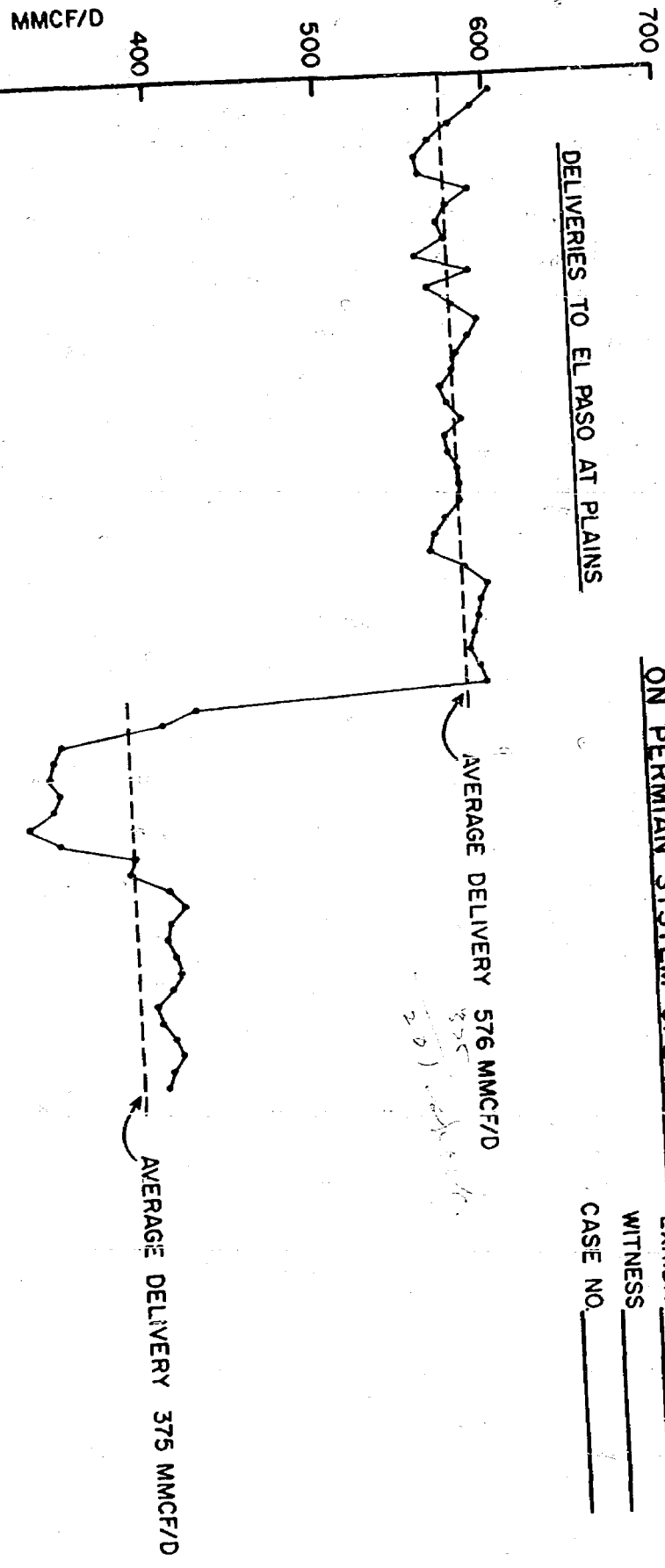




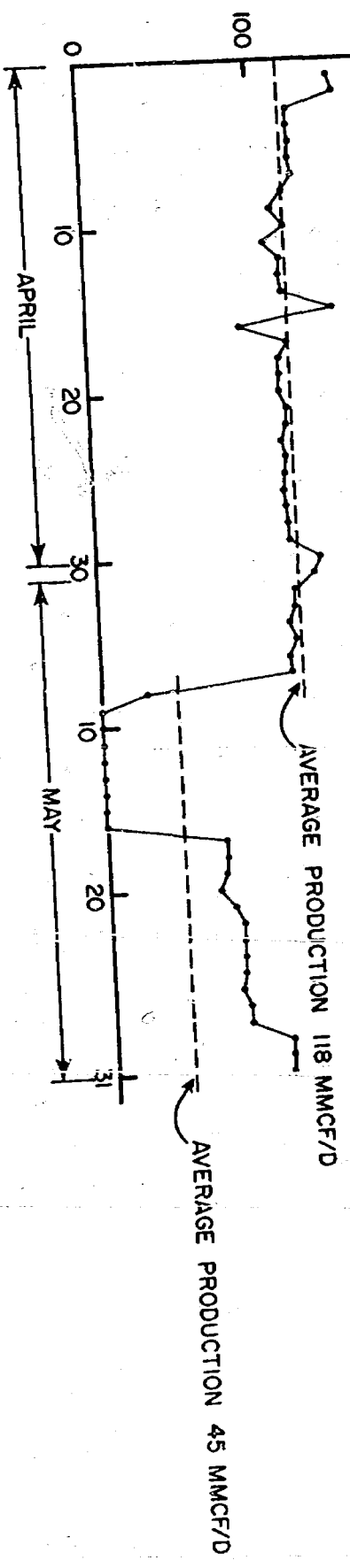
AFFECT OF SUNRAY COMPRESSOR STATION  
ON PERMIAN SYSTEM OPERATIONS.

EXHIBIT \_\_\_\_\_  
WITNESS \_\_\_\_\_  
CASE NO. \_\_\_\_\_

DELIVERIES TO EL PASO AT PLAINS



PRODUCTION FROM LEA COUNTY  
PRORATED FIELDS



NORTHERN NATURAL GAS COMPANY CONNECTIONS

LEA COUNTY, NEW MEXICO - BLINEBRY, EUMONT, JALMAT, MONUMENT-MCKEE AND TUBB POOLS

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968				+ 2 865 872	+ 1 044 814
January, 1969	5 815 061	4 934 631	+ 880 430	+ 2 123 695	+ 1 925 244
February	4 375 083	4 390 352	- 15 269	+ 1 782 416	+ 1 909 975
March	4 575 724	4 677 396	- 101 672	+ 1 587 035	+ 1 808 303
April	4 356 334	3 218 153	+1 138 181	+ 1 420 541	+ 2 946 484
May	3 713 327	1 533 472	+2 179 855	+ 1 370 744	+ 5 126 339
June	2 858 162	2 986 986	- 128 824	+ 1 171 045	+ 4 997 515
Total for Period	25 693 691	21 740 990			
Status in				+ 5 333 878	+ 4 997 515
July, 1969	3 822 360	4 465 000	- 642 640	+ 3 950 917	+ 4 354 875
August	4 001 870	4 726 000	- 724 130	+ 3 012 651	+ 3 630 745
September	4 690 059	4 759 266	- 69 207	+ 2 330 680	+ 3 561 538
October	4 555 946	4 957 265	- 401 319	+ 1 825 617	+ 3 160 219
November	5 398 590	4 894 218	+ 504 372	+ 1 135 660	+ 3 664 591
December	5 279 295	5 174 536	+ 104 759	+ 1 306 002	+ 3 769 350
Total for Period	27 748 120	28 976 285			
Status in				+ 4 144 866	+ 3 769 350
January, 1970	5 073 512	5 244 000	- 170 488	+ 2 916 337	+ 3 598 862
February	3 806 791	4 343 001	- 536 210	+ 1 955 281	+ 3 062 652
March	4 186 432	4 641 000	- 454 568	+ 891 331	+ 2 608 084
April	3 890 814	3 989 000	- 98 186	+ 498 203	+ 2 509 898
May	3 162 589	4 122 000	- 959 411	+ 68 605	+ 1 550 487
June	3 031 588	3 949 001	- 917 413	-0-	+ 633 074
Total for Period	23 151 726	26 288 002			

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
*copy sent* EXHIBIT NO. 3  
CASE NO. 4151

# NORTHERN NATURAL GAS COMPANY CONNECTION

## BLINEBRY POOL

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968					
January, 1969	813 600			+ 514 266	+ 299 733
February	836 923	839 461	- 25 861	+ 355 742	+ 273 872
March	748 874	846 120	- 9 197	+ 283 162	+ 264 675
April	706 250	890 222	- 141 348	+ 260 310	+ 123 327
May	730 658	569 124	+ 137 126	+ 241 662	+ 260 453
June	580 865	289 297	+ 441 361	+ 241 662	+ 701 814
Total for Period	4 417 170	713 000	- 132 135	+ 220 925	+ 569 679
Status in					
July, 1969				+ 626 643	+ 569 679
August	532 350	512 902	+ 19 448	+ 511 360	+ 589 127
September	655 200	794 012	- 138 812	+ 425 940	+ 450 315
October	605 409	546 017	+ 59 392	+ 323 223	+ 509 707
November	751 235	951 000	- 199 765	+ 209 862	+ 309 942
December	809 855	951 000	- 141 145	+ 157 814	+ 168 797
Total for Period	4 257 863	951 000	- 47 186	+ 134 683	+ 121 611
Status in					
January, 1970				+ 196 796	+ 121 611
February	737 100	472 707	+ 264 393	+ 196 796	+ 386 004
March	758 230	317 981	+ 440 249	+ 172 346	+ 826 253
April	698 164	246 917	+ 451 247	+ 160 314	+ 277 500
May	414 032	691 718	- 277 686	+ 75 348	+ 999 814
June	357 455	951 000	- 593 545	+ 20 126	+ 406 269
Total for Period	3 578 076	853 745	- 240 650	-0-	+ 165 619

# NORTHERN NATURAL GAS COMPANY CONNECTION

## EUMONT POOL

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968					
January, 1969	2 983 385	2 703 443	+ 279 942	+ 1 670 154	+ 743 567
February	2 093 417	1 988 645	+ 104 772	+ 1 246 558	+ 1 023 509
March	2 340 573	2 426 289	- 85 716	+ 1 119 907	+ 1 128 281
April	2 254 642	1 579 718	+ 674 924	+ 991 253	+ 1 042 565
May	1 898 613	695 169	+1 203 444	+ 871 861	+ 1 717 489
June	1 423 073	1 636 000	- 212 927	+ 828 846	+ 2 920 933
Total for Period	12 993 703	11 029 264		+ 709 595	+ 2 708 006
Status in					
July, 1969	2 059 200	2 355 104	- 295 904	+ 2 871 315	+ 2 708 006
August	2 246 400	2 222 503	+ 23 897	+ 2 141 306	+ 2 412 102
September	2 687 173	2 623 266	- 64 907	+ 1 673 062	+ 2 435 999
October	2 300 311	2 823 265	- 522 954	+ 1 179 441	+ 2 299 906
November	3 025 488	2 606 600	+ 418 888	+ 853 954	+ 1 776 952
December	2 968 544	2 604 600	+ 363 944	+ 748 338	+ 2 195 840
Total for Period	15 287 116	15 435 338		+ 663 445	+ 2 559 784
Status in					
January, 1970	2 520 794	3 273 000	- 752 206	+ 2 701 450	+ 2 559 784
February	1 768 820	2 742 774	- 973 954	+ 1 776 965	+ 1 807 578
March	2 030 564	2 773 000	- 742 436	+ 1 113 998	+ 833 624
April	2 271 350	2 423 000	- 151 650	+ 351 455	+ 91 188
May	1 755 994	1 891 600	- 135 606	+ 105 134	- 60 462
June	1 706 412	1 935 346	- 228 934	+ 51 226	- 196 068
Total for Period	12 053 934	15 038 720		-0-	- 425 002

# NORTHERN NATURAL GAS COMPANY CONNECTION

## JALMAT POOL

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968				+ 115 489	- 96 566
January, 1969	572 695	371 349	+ 201 346	+ 101 648	+ 104 780
February	535 285	490 161	+ 45 124	+ 79 854	+ 149 904
March	475 379	347 098	+ 128 281	+ 63 729	+ 278 185
April	362 103	269 225	+ 92 878	+ 41 728	+ 371 063
May	315 460	193 579	+ 121 881	+ 39 450	+ 492 944
June	186 953	179 800	+ 7 153	+ 12 385	+ 500 097
Total for Period	2 447 875	1 851 212		+ 513 399	+ 500 097
Status in				+ 358 939	+ 327 403
July, 1969	307 300	479 994	- 172 694	+ 222 910	+ 24 418
August	307 300	610 285	- 302 985	+ 185 197	+ 280 937
September	350 645	656 000	- 305 355	+ 185 197	- 343 086
October	413 601	475 750	- 62 149	+ 183 173	- 141 272
November	342 214	140 400	+ 201 814	+ 183 173	+ 162 791
December	542 346	238 283	+ 304 063		
Total for Period	2 263 406	2 600 712		+ 210 399	+ 162 791
Status in				+ 210 399	+ 239 894
January, 1970	514 396	437 293	+ 77 103	+ 152 573	+ 393 761
February	459 479	305 612	+ 153 867	+ 152 573	+ 217 823
March	394 145	570 083	- 175 938	+ 150 369	+ 229 405
April	306 101	294 519	+ 11 582	+ 48 479	+ 322 235
May	306 101	218 400	+ 92 830	-0-	+ 308 253
June	311 230	188 400	- 13 982		
Total for Period	2 159 769	2 014 307			

# NORTHERN NATURAL GAS COMPANY CONNECTION

## MONUMENT-MCKEE POOL

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968					
January, 1969	97 842	121 997	- 24 155	+ 16 622	- 34 119
February	75 684	79 315	- 3 631	-0-	- 58 274
March	97 968	64 675	+ 33 293	-0-	- 61 905
April	96 012	23 297	+ 72 715	-0-	- 28 612
May	81 069	10 900	+ 70 169	-0-	+ 44 103
June	42 228	40 000	+ 2 228	-0-	+ 114 272
Total for Period	490 803	340 184		-0-	+ 116 500
Status in					
July, 1969	75 000	98 000	- 23 000	+ 116 836	+ 116 500
August	75 000	80 200	- 5 200	+ 56 596	+ 93 500
September	68 800	100 200	31 400	+ 35 480	+ 88 300
October	66 480	90 000	- 23 520	-0-	+ 56 900
November	68 480	90 000	- 21 520	-0-	+ 33 330
December	84 000	100 000	- 16 000	-0-	+ 11 860
Total for Period	437 760	558 400		-0-	- 4 140
Status in					
January, 1970	97 842	90 000	+ 7 842	+ 5 900	- 4 140
February	75 684	87 660	- 11 976	-0-	+ 3 702
March	64 000	80 000	- 16 000	-0-	- 8 274
April	75 464	60 000	+ 15 464	-0-	- 24 274
May	96 000	90 000	+ 6 000	-0-	- 8 810
June	95 600	100 000	- 4 400	-0-	- 2 810
Total for Period	504 590	507 660		-0-	- 7 210

NORTHERN NATURAL GAS COMPANY CONNECTION

TUBB POOL

MCF - 15.025 PSIA

(1) Month - Year	(2) Current Allowable Mcf	(3) Production Mcf	(4) Monthly Status -(over)+(under) Mcf	(5) Underage Balance Status -(over)+(under) Mcf	(6) Net Cumulative Status -(over)+(under) Mcf
Status as of December 31, 1968					
January, 1969	1 347 539	898 381	+ 449 158	+ 549 341	+ 132 199
February	833 774	986 111	- 152 337	+ 419 747	+ 581 357
March	912 930	949 112	- 36 182	+ 299 493	+ 429 020
April	937 327	776 789	+ 160 538	+ 271 743	+ 392 838
May	687 527	344 527	+ 343 000	+ 265 290	+ 553 376
June	625 043	418 186	+ 206 857	+ 260 816	+ 896 376
Total for Period	5 344 140	4 373 106		+ 228 140	+1 103 233
Status in					
July, 1969				+1 205 685	+1 103 233
August	848 510	1 019 000	- 170 490	+ 882 716	+ 932 743
September	717 970	1 019 000	- 301 030	+ 655 259	+ 631 713
October	978 032	633 783	+ 344 249	+ 642 819	+ 975 962
November	1 024 319	617 250	+ 407 069	+ 576 604	+1 383 031
December	1 152 553	1 106 218	+ 46 335	+ 426 559	+1 429 366
Total for Period	780 591	1 280 653	- 500 062	+ 324 701	+ 929 304
Status in					
January, 1970				+1 030 321	+ 929 304
February	1 203 380	971 000	+ 232 380	+ 732 177	+1 161 684
March	744 578	888 974	- 144 396	+ 516 364	+1 017 288
April	999 559	971 000	+ 28 559	+ 226 989	+1 045 847
May	823 867	519 763	+ 304 104	+ 167 352	+1 349 951
June	641 910	971 000	- 329 090	-0-	+1 020 861
Total for Period	442 063	871 510	- 429 447	-0-	+ 591 414
Total for Period	4 855 357	5 193 247			

JASON W. KELLAHIN  
ROBERT E. FOX

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54 1/2 EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1769  
SANTA FE, NEW MEXICO 87501

June 10, 1969

JUN 10 1969

TELEPHONE 982-4315  
AREA CODE 505

Case 4151

Oil Conservation Commission of New Mexico  
Post Office Box 2088  
Santa Fe, New Mexico

Gentlemen:

Enclosed is the application of Northern Natural Gas Company for a temporary suspension of the balancing period and cancellation of underproduction in the Blinbry, Eumont, Jalmat, Monument-McKee, and Tubb Pools, southeastern New Mexico.

It is my understanding that this application has been advertised for hearing on June 25.

Yours very truly,

*Jason W. Kellahin*  
JASON W. KELLAHIN

jwk;peg  
Enc. as stated

DOCKET MAILED

Date 6/12/69



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

JUN 11 1969

IN THE MATTER OF THE APPLICATION )  
OF NORTHERN NATURAL GAS COMPANY )  
FOR A TEMPORARY SUSPENSION OF OR )  
EXCEPTION TO THE PROVISIONS OF )  
RULE 14(A), ORDER NO. R-1670, )  
PERTAINING TO THE CANCELLATION )  
OF UNPRODUCED GAS ALLOWABLES )  
IN THE BLINEBRY, EUMONT, JALMAT, )  
MONUMENT-MCKEE AND TUBB POOLS. )

Case No. 4151

COMES NOW, Northern Natural Gas Company, 2223 Dodge Street,  
Omaha, Nebraska 68102, the Applicant, and petitions to the Commission  
for a temporary exception to or suspension of the provisions of Rule 14(A)  
of Order No. R-1670, as amended, for a period of one year from July 1,  
1969, insofar as said rule requires that unproduced gas allowables not  
made up shall be cancelled and in support thereof would show and request:

1. That Applicant seeks a hearing pursuant to Rule 1203 of the  
Rules of Procedure, New Mexico Oil Conservation Commission.
2. The requested hearing concerns the gas pools in southeastern  
New Mexico known as the Blinebry, Eumont, Jalmat, Monument-McKee,  
and Tubb.
3. That the wells to which Applicant is connected in the above  
named pools will have accrued unproduced allowables in the magnitude  
of approximately two billion cubic feet which will be cancelled under  
normal balancing rules at the end of the balancing period ending at 7 A.M.,  
July 1, 1969; that said allowables were unproduced by Applicant largely  
due to an explosion which disabled its Sunray, Texas Compressor Station  
on May 8, 1969; that said Compressor Station will be repaired and  
capable of operating at normal capacity on or near June 13, 1969.
4. The Applicant requests a hearing and an order granting a  
temporary exception to or suspension of Rule 14(A) of the General Rules  
and Regulations, southeastern New Mexico.

and that said suspension or exception be granted for a period beginning July 1, 1969 and lasting until July 1, 1970 only insofar as said rule would require cancellation of gas allowables remaining unproduced and carried forward which are or will be subject to cancellation on July 1, 1969 and January 1, 1970.

5. That Applicant requests a hearing before an Examiner on June 25, 1969 in Santa Fe, New Mexico.

6. That Applicant believes the names and addresses of interested parties to be as follows:

Amerada Petroleum Corporation  
Attention: Mr. W. H. Bourne  
P. O. Box 2040  
Tulsa, Oklahoma 74102

Atlantic Richfield Company  
Attention: Mr. E. T. Cotham  
P. O. Box 1610  
Midland Savings & Loan Building  
Midland, Texas 79701

Cities Service Oil Company  
Attention: Mr. W. L. Hanagan  
Cities Service Building  
Bartlesville, Oklahoma 74003

Continental Oil Company  
Attention: Mr. F. T. Elliott  
P. O. Box 431  
Midland, Texas 79701

El Paso Natural Gas Company  
Attention: Mr. D. H. Rainey  
P. O. Box 1492  
El Paso Natural Gas Building  
El Paso, Texas 79999

Mobil Oil Corporation  
Attention: Mr. A. H. Massad  
P. O. Box 633  
201 Wall Building  
Midland, Texas 79701

Phillips Petroleum Company  
Attention: Mr. M. H. Cullender  
Phillips Building  
Bartlesville, Oklahoma 74003

Shell Oil Company  
Attention: Mr. S. M. Paine  
Shell Building  
Midland, Texas 79704

Skelly Oil Company  
Attention: Mr. L. L. Byars  
1437 South Boulder  
P. O. Box 1650  
Tulsa, Oklahoma 74102

Southern Union Gas Company  
Attention: Mr. Hazeltine  
1434 Fidelity Union Tower Building  
Dallas, Texas 75201

Warren Petroleum Corporation  
Attention: Mr. Ken McLaughlin  
1350 South Boulder  
Tulsa, Oklahoma

Texaco Incorporated  
Attention: Mr. Darrell Smith  
P. O. Box 3109  
Midland, Texas 79704

Respectfully submitted,

NORTHERN NATURAL GAS COMPANY

By Frank D. Stockman  
Frank D. Stockman, Vice President

DRAFT

GMH/esr

July 7, 1969

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:

RECORDS CENTER

CASE No. 4151

Order No. R-3805

APPLICATION OF NORTHERN NATURAL GAS COMPANY  
FOR THE SUSPENSION OF CERTAIN PROVISIONS OF  
RULES 14(A) AND 15(A) OF ORDER NO. R-1670,  
AS AMENDED, OF THE GENERAL RULES AND REGULA-  
TIONS FOR THE PRORATED GAS POOLS OF SOUTH-  
EASTERN NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this        day of July, 1969, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Northern Natural Gas Company, is  
the owner and operator of a pipeline connected to many gas wells  
in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas  
Pools, Lea County, New Mexico.

(3) That the applicant seeks suspension for a period of  
one year of that provision of Rule 14(A) of the General Rules and  
Regulations for the Prorated Gas Pools of Southeast New Mexico,  
promulgated by Order No. R-1670, as amended, as to the Blinebry,  
Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, Lea County,  
New Mexico, that provides that any allowable carried forward  
into a gas proration period and remaining unproduced at the end

(4) That the aforesaid company is connected to many non-marginal wells in said gas pools that have accumulated underproduction which is subject to cancellation as of July 1, 1969 *and January 1, 1970.*

(5) That an explosion disabled the applicant's Sunray, Texas, compressor station on May 8, 1969; *that* said disablement *has* prevented *and will prevent the* applicant from producing said accumulated underproduction prior to *the normal cancellation date of* July 1, 1969 *and January 1, 1970.*

(6) That the applicant has a need for this unproduced gas, *and January 1, 1970,* which is subject to cancellation July 1, 1969, *and* it appears *said* that it will be able to produce *such* gas in addition to current *the* allowables during *a* one-year period commencing July 1, 1969.

(7) That unless the cancellation of underproduction is suspended for a period of one year commencing July 1, 1969, producers in the subject pools to whose wells Northern Natural Gas Company is connected will be denied the opportunity of producing their fair share of the gas reserves underlying the subject pools.

(8) That all other operators in said pools should have the same opportunity to produce gas for which allowables have been granted, and which remain unproduced and subject to cancellation July 1, 1969 *and January 1, 1970.*

(9) That it would be inequitable to suspend cancellation of underproduction for a period of one year without also suspending the shutting in of overproduced wells for a like period.

(10) That in order to protect correlative rights, prevent waste, promote conservation, and allow each producer in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, Lea County, New Mexico, the opportunity to produce his just and equitable share of the reserves underlying said gas pools, the provisions of Rules 14(A), 15(A), and 16(A) that provide,

respectively, for the cancellation of unproduced allowables, the shutting in of overproduced wells, and the reclassification of non-marginal wells, should be suspended for a period of one year commencing July 1, 1969.

IT IS THEREFORE ORDERED:

(1) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells, in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which <sup>wells</sup> have accrued underproduction which is subject to cancellation as of July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to produce said accrued underproduction.

(2) That as an exception to Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells, in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, which <sup>wells</sup> accrue underproduction during the gas proration period beginning July 1, 1969, and ending December 31, <sup>1969</sup> ~~1970~~, shall have until December 31, 1970, in which to produce said accrued underproduction.

(3) That underproduction accrued by wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools during the gas proration period beginning January 1, 1970, and remaining unproduced at the end of the gas proration period beginning July 1, 1970, shall be cancelled January 1, 1971, in accordance with Rule 14(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(4) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico,

promulgated by Order No. R-1670, as amended, operators of wells in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, <sup>wells</sup> which have accrued overproduction and which are subject to being shut in therefor July 1, 1969, and January 1, 1970, shall have until June 30, 1970, in which to make up said overproduction.

(5) That as an exception to Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, operators of wells, in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, <sup>wells</sup> which accrue overproduction during the period beginning July 1, 1969, and ending December 31, 1969, shall have until December 31, 1970, in which to make up said overproduction.

(6) That any well in the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools which accrue overproduction during the gas proration period beginning January 1, 1970, and does not make up said overproduction by the end of the gas proration period beginning July 1, 1970, shall be shut in until such overproduction is made up in accordance with Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended.

(7) That Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, is hereby suspended as to the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools, for a period of one year beginning July 1, 1969, insofar and only insofar as said rule provides for the reclassification of non-marginal wells.

(9) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

(8) That that portion of Rule 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico, promulgated by Order No. R-1670, as amended, that provides for the shutting-in of wells that are overproducing an amount equaling six times its current monthly allowable shall be unaffected by this Order.

CASE 4152: Appli. of ANADARKO FOR  
AN AMENDMENT OF ORDER R-3628,  
(waterflood) - EDDY COUNTY, N.M.

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