

Entered November 22, 1959
Q.P.

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. 1793
Order No. R-1523

APPLICATION OF ARGO OIL CORPO-
RATION FOR AN ORDER PERMITTING
ONE OVER-PRODUCED GAS WELL IN
THE JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO, TO COMPENSATE FOR
SUCH OVER-PRODUCTION AT A LESSER
RATE THAN COMPLETE SHUT-IN IN
EXCEPTION TO ORDER NOS. R-520
AND R-967

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 28, 1959, 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.

NOW, on this 12th day of November, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 B. T. Lanehart Well No. 1, located in Unit H, Section 21, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is more than six times over-produced and is therefore subject to complete shut-in under the provisions of Order Nos. R-520 and R-967.

(3) That due to severe liquid problems, the applicant seeks an order permitting the over-production to be made up at a lesser rate than complete shut-in in order to preclude permanent injury to the subject well.

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(4) That the applicant should be permitted to produce the subject well at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

(5) That the curtailed rate of production to compensate for over-production as hereinabove prescribed should be adequate to prevent permanent injury to the well or producing formation.

(6) That an administrative procedure should be established whereby the Secretary-Director of the Commission may authorize the operator to compensate for over-production at a lesser rate than that provided in this order upon a satisfactory showing that the rate prescribed herein would result in permanent damage to the well and/or producing formation.

IT IS THEREFORE ORDERED:

(1) That the operator be and the same is hereby authorized to compensate for the over-production of the B. T. Lanehart Well No. 1, a Jalmat gas well located in Unit H, Section 21, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, by producing it at a monthly rate equal to fifty percent of the well's current monthly allowable or at a monthly rate equal to fifty percent of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

PROVIDED HOWEVER, That an administrative procedure be and the same is hereby established wherein the Secretary-Director is authorized to set the percentage of curtailment at a lesser rate than that herein prescribed upon a satisfactory showing by the operator that the rate for compensating for over-production as set forth in this order, would result in permanent damage to the well and/or producing formation.

(2) That the effective date of this order is November 1, 1959.

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

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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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