Entered December 23, 1960
A.L.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. 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 Conservation 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 establish 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.

(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

M E Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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

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