

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11211
ORDER NO. R-10328

GAS ALLOWABLES FOR THE PRORATED GAS POOLS IN NEW MEXICO FOR
APRIL THROUGH SEPTEMBER, 1995.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on February 23, 1995, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of March, 1995, the Commission, a quorum being present and having considered the testimony, the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) This hearing was called for the purpose of accepting nominations and other evidence and information to assist in determining April through September, 1995 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico, and the other four prorated gas pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico.
- (3) Amendments to the Gas Proration Rules approved by the Commission Order No. R-8170-H in December, 1990 provide for allowables to be established for six month allocation periods beginning in April and October of each year.
- (4) Average monthly allowables for April through September, 1995 for each pool should be based on the monthly average individual pool production for April through September, 1994, with administrative adjustments where appropriate.

(5) Production information for 1994 was not available because of delays in getting C-115 production information into the new system. Estimates based on 1993 data were therefore used as a basis for preliminary allowables. Producers, purchasers, and transporters of gas were asked to review these preliminary allowables and to participate in the February 23, 1995 hearing by providing information which would assist in arriving at the final allowable assignments.

(6) Chevron and Conoco presented evidence at the hearing to support the OCD recommended allowables for the prorated pools in Southeast New Mexico. Exxon and Oryx entered statements supporting the proposed allowables.

(7) Amoco submitted testimony at the hearing to support increased allowables for the Northwest New Mexico Pools. They requested the following monthly increases:

Basin Dakota - 10,000 MCF; Blanco Mesaverde - 535,491 MCF; Blanco P. C. South - 9,540 MCF; and Tapacito Pictured Cliffs - 2,509 MCF. Phillips entered a statement requesting essentially these same allowables for the Basin Dakota and Blanco Mesaverde Pools. Meridian submitted a statement supporting the OCD allowables but indicating no objection to increases proposed by others. The increases proposed by Amoco are in addition to the adjustments proposed by OCD.

(8) Testimony by OCD indicates that gas production in New Mexico continues at record levels in spite of low prices. Production was 1.4 TCF in 1994 and an estimated 1.55 TCF in 1995. This indicates there is sufficient demand for New Mexico gas to accommodate the proposed allowables.

(9) The allowable increases proposed by Amoco for the Northwest New Mexico Pools should be approved.

(10) OCD Exhibit No. 1 shows that there are currently no prorated wells in the Burton Flat Strawn; Carlsbad Morrow, South; Catclaw Draw Morrow; and Monument McKee Ellenburger Pools. This condition has existed for the last several years. Proration in these pools should therefore be suspended until such time as production data or other information indicates that the pools should be prorated.

IT IS THEREFORE ORDERED THAT:

(1) Exhibits "A" and "B" attached to and incorporated herein, including the increased allowables requested in Finding Paragraph No. (7) are adopted for the purpose of making allowable assignments for the prorated gas pools in New Mexico for the months of April through September, 1995.

(2) The Oil Conservation Division is hereby directed to prepare proration schedules for the April through September, 1995 allocation period in accordance with this order and other Division Rules, Regulations and Orders. Copies of this order shall be included in each proration schedule.

(3) Proration is hereby suspended in the Burton Flat Strawn; Carlsbad Morrow, South; Catclaw Draw Morrow; and Monument McKee Ellenburger Pools until such time as production data or other information indicates the pools should again be prorated.

(4) 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.

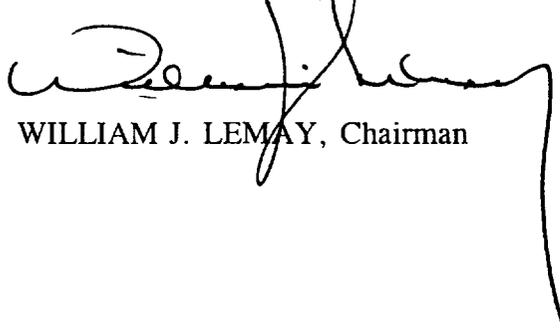
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



GARY CARLSON, Member



WILLIAM W. WEISS, Member



WILLIAM J. LEMAY, Chairman

S E A L

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EXHIBIT "B"

OIL CONSERVATION DIVISION
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
 FOR APRIL 1995 THROUGH SEPTEMBER 1995

POOL NAME	AVG MONTHLY POOL SALES APR93-SEP93	POOL ADJ	MONTHLY POOL ALLOWABLE APR-95-SEP95	MONTHLY MARGINAL POOL ALLOW- ABLE APR95-SEP95	MONTHLY NON- MARGINAL POOL ALLOW- ABLE APR95-SEP95	NUMBER OF NON- MARGINAL ACR. FACTORS	NUMBER OF NON-MARGINAL ACR.*DLY.	MONTHLY ACREAGE ALLOC. FACTOR	MONTHLY ACR.*DLY. FACTOR
Basin Dakota	9,548,540	108,958	9,657,498	9,377,498	280,000	15.05	7,978	11,163	14.04
Blanco Mesaverde	16,495,592	535,491	17,031,083	14,049,750	2,981,333	129.16	85,529	5,771	26.14
Blanco P.C. South	1,216,638	39,353	1,255,991	1,106,658	149,333	84.80	3,974	440	28.18
Tapacito Pictured Cliffs	326,656	2,509	329,165	314,232	14,933	8.00	566	467	19.79

**All Gas Volumes Shown in MCF

OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
FOR APRIL 1995 THROUGH SEPTEMBER 1995

POOL NAME	AVG MONTHLY POOL SALES APR93-SEP93	POOL ADJUSTMENTS	MONTHLY POOL ALLOWABLE APR95-SEP95	MONTHLY MARGINAL POOL ALLOWABLE APR95-SEP95	MONTHLY NON-MARGINAL POOL ALLOWABLE APR95-SEP95	NUMBER OF NON-MARGINAL ACR. FACTORS	MONTHLY ACREAGE ALLOC. FACTOR
Atoka Penn	106,172	930	107,102	59,102	48,000	2.00	24,000
Blaine Oil and Gas	564,643	13,880	578,523	450,873	127,650	3.00	42,550
Buffalo Valley Penn	293,780	188	293,968	260,968	33,000	1.00	33,000
Cumont Yates 7 Rivers Qn	2,563,744	451,241	3,014,985	2,156,185	858,800	22.60	38,000
Indian Basin Morrow	62,700	531	63,231	47,231	16,000	1.00	16,000
Indian Basin Upper Penn	3,722,866	183,172	3,906,038	2,934,038	972,000	4.86	200,000
Malmit Tansill YT 7 Rivers	1,029,426	22,196	1,051,622	973,847	77,775	4.25	18,300
Mustis Glorieta	48,401	51,631	100,032	26,832	73,200	4.00	18,300
Wubb Oil and Gas	293,367	28,378	321,745	203,620	118,125	8.75	13,500

*All Gas Volumes Shown in MCF