

October 27, 1959

Mr. Fred Hannahs
Box 828
Santa Fe, New Mexico

Dear Mr. Hannahs:

On behalf of your client, El Paso Natural Gas Company,
we enclose two copies of Order No. R-1511 issued in
Case 1777 by the Oil Conservation Commission on October
26, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

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Enclosures: (2)

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. 1777
Order No. R-1511

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AN ORDER PER-
MITTING TWO OVERPRODUCED GAS
WELLS IN THE JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO, TO
COMPENSATE FOR SUCH OVERPRO-
DUCTION AT A LESSER RATE THAN
COMPLETE SHUT-IN IN EXCEPTION
TO ORDERS 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 September 30, 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 26TH day of October, 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 following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, are more than six times overproduced and are therefore subject to complete shut-in under the provisions of Orders Nos. R-520 and R-967:

E. J. Wells No. 13 Well, Unit L, Section 5
Wells B-4 Well No. 1, Unit D, Section 4

both in Township 25 South, Range 37 East, N4PM, Lea County,
New Mexico.

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

(4) That the applicant should be permitted to produce each of the subject wells 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 overproduction 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 overproduction 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 overproduction of the following-described gas wells in the Jalmat Gas Pool by producing each of them 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:

E. J. Wells No. 13 Well, Unit L, Section 5
Wells B-4 Well No. 1, Unit D, Section 4

both in Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

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 overproduction as set forth in this order would result in permanent damage to the well and/or producing formation.

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

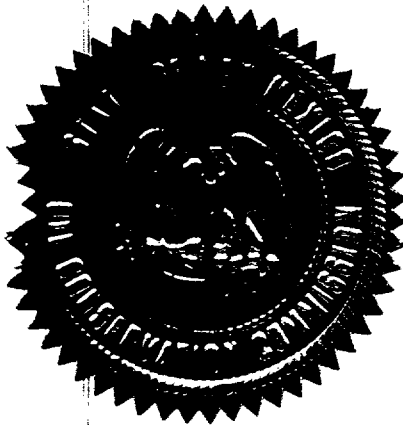
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

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



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