

FALBY-YATES OIL POOL

<u>Order No.</u>	<u>Purpose of Order</u>	<u>Date of Order</u>	<u>Remarks</u>
R-395 ✓	(2) Created Pool (3) Set GOR limit at 6000/1	Dec. 10, 1953	Yates zone production only from certain well in Cooper-Jal & Langlie Mattix Oil Pools.
R-520 ✓	Abolished Pool Name & absorbed by Jalmat	Aug. 12, 1954	All Pool wells were included as oil wells in Jalmat Gas Pool.

COOPER-JAL OIL POOL

588 ✓	Created Pool		
R-520 ✓	P.(6) Establish vertical limits of Pool to 100' above base of 7-Rivers to base of Queen. P.(10) No-flare order. P.(11) Oil wells in pool limited to 10,000/1 GOR	Aug 12, 1954	Para. (6) Vertical limits established. Para. (10) No dry or casinghead gas shall be flared unless authorized by Commission. Para. (11) Oil wells producing in excess GOR of 10,000/1 will be penalized.
R-520-A ✓	P.(10) Minor changes in number of copies of Form C-110 to be filed w/Commission	Aug. 16, 1954	Change from 2 to 4 copies of Form C-110 to Commission.
R-553 ✓	To amend "No-flare order" P.(10) R-520	Nov. 22, 1954	Amendment affords for granting adm. approval for exception to no-flare provision in para. 10, R-520.
R-640	Change vertical limits of pool as set out in R-520 and redefine from 100' above base of 7-Rivers to 250' above base of 7-Rivers to base Queen, for certain areas in pool?	May 27, 1955	The vertical limits were set in Order R-520 at 100' above base of 7-Rivers. This order amends to 250' above the base of 7-Rivers to the base of Queen.
R-663	To establish a rule to allow for an exception to Commission Rule 303 to permit commingling of oil from various oil & gas pools in Lea County.	July 7, 1955	Para. 2 states that the Cooper-Jal Oil Pool is thus affected.
R-690	Abolish the Cooper-Jal Oil Pool	Oct. 13, 1955	Wells in the Cooper-Jal Oil Pool were absorbed by the Langlie-Mattix Oil and Jalmat Gas Pools.

EAVES OIL POOL

<u>Order No.</u>	<u>Purpose of Order</u>	<u>Date of Order</u>	<u>Remarks</u>
588	Pool Boundaries		
R-520	P.(10) No-flare order	Aug. 12, 1954	Para.(10) No dry or casing-head gas shall be flared unless authorized by the Commission.
R-520-A✓	P.(10) Minor changes in number of copies of Form C-110 to be filed w/Commission	Aug. 16, 1954	Para.(10) Change from 2 to 4 copies of Form C-110 to be filed w/Commission.
R-553	To amend "No-flare" Order P.(10) R-520	Nov. 22, 1954	Amendment affords for granting adm approval for exception to "No-flare" provision in para.(10) R-520.
R-690	Abolished the Eaves Oil Pool	Oct. 13, 1955	Wells in the Eaves Oil Pool were absorbed in the Langlie-Mattix Oil & Jalmat Gas Pools

JALMAT GAS POOL

R-520	Created Pool & established rules	Aug. 12, 1954	The Jalco Gas and Langmat Gas Pools were consolidated to form the Jalmat Gas Pool
R-520-A	P.(10) minor change in No. of copies of Form C-110 to be filed w/Commission. Gas Proration, Rule 5 (b) words "quarter sections" substituted by word "section"	Aug. 16, 1954	Para.(10) change from 2 to 4 copies of Form C-110 to be filed w/Commission. Gas proration, Rule 5(b) wording change
R-553	To amend "No-flare" order P.(10) R-520	Nov 22, 1954	Amendment affords for granting adm. approval for exception to "No-flare" provision in Para.(10) R-520
R-640	P.(1) To change vertical limits as established in Order R-520 from top of Tansill to 100' from base of 7-Rivers to top of Tansill to 250' above base of 7-Rivers. P.(6) To prohibit dual completion of oil from Yates & oil from 7-Rivers or Queen. P.(7) To set GOR limit of 10,000/1 for oil wells in Jalmat Gas Pool. P.(8) To prohibit simul-	May 27, 1955	Para.(1) Alters vertical limits to exclude 150' of 7-Rivers. Para.(6) Wells in the Jalmat Gas Pool cannot be dually completed as oil-oil wells in the Yates & 7-Rivers or Queen. Para.(7) GOR limit for oil wells in Jalmat Gas Pool set at 10,000 /1. Para.(8) Acreage dedicated to a gas well cannot be dedicated to an oil well.

JALMAT GAS POOL (CONT'D)

<u>Order No.</u>	<u>Purpose of Order</u>	<u>Date of Order</u>	<u>Remarks</u>
R-640	(Cont'd) taneous dedication of acreage to a gas well in the Jalmat Gas Pool and an oil well in the Jalmat Gas Pool		
R-663	To establish a rule to allow for an exception to Commission Rule 303 to permit commingling oil from various oil and gas pools in Lea County.	July 7, 1955	Para.(2) states that the Jalmat Gas Pool is thus affected
R-690	To abolish the Eaves Oil & Cooper-Jal Oil Pools & parts of these to be included in Jalmat Gas Pool	Oct 13, 1955	Part of the oil wells in the abolished Eaves Oil & Cooper-Jal Oil Pools were included in the Jalmat Gas Pool.
R-967	To amend Rule 6, & Rule 8, R-520, Gas prorationing: Rule 8-A, Rule 9, Rule 10, R-520 Balancing of production	Apr. 23, 1957	Amendments and additions to Rule 6, 8, 8-A, 9 & 10 of Order R-520.
R-1092	(1)Case No. 1327 (Deliverability hearing) be cont'd. (2) Over-produced wells during period July 1 to Dec 31, 1957, considered to be in balance if over-production was less than (a) well's current allowable for month. (b) well's share of allow. redistribution as a result of cancellation of under production on Dec. 31, 57.	Nov. 27, 1957	Cont'd Case #1327 which was hearing on use of well deliverability in gas allow. formula.
R-1092-A	(2) Amend all orders to establish an "Acreage Factor" to all gas units. (3) Revise Rule 5, 6 & 12 of Special Rule & Regulations as set forth in Order No. R-520 & amended by Order R-967	Jan. 29, 1958	(2) An "acreage Factor" was adopted which will be used as a portion of formula in determining unit allowable. (3) Revised method of allocating unit gas allowable to be based on 25% on "acreage factor" and 75% based on multiplication of "acreage factor" by "calculated deliverability" (MCF/D)
R-1092-B	To order a rehearing, limited to new evidence, on Case No. 1327 Order No. R-1092-A	Feb. 19, 1958	Rehearing set for March 25, 1958.
R-1092-C	To adopt the provisions of Order R-1092-A & that they should remain in full force and effect (Effective date July 1, 1958)	Apr. 25, 1958	Order R-1092-A will remain in effect.

SPECIAL RULES AND REGULATIONS FOR
THE JALMAT GAS POOL

Well Spacing and Acreage Requirements for Drilling Tracts

RULE 1. Any well drilled a distance of one mile or more outside the boundary of the Jalmat Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile outside the boundary of the Jalmat Gas Pool shall be spaced, drilled, operated and prorated in accordance with the regulations in effect in the Jalmat Gas Pool. *Y*

(R-520 - Delete "Jalmat Gas Pool" and use "All Gas Pools" - General)

RULE 2. Each well drilled or recompleted within the Jalmat Gas Pool on a standard proration unit after the effective date of this rule shall be drilled not closer than 1980 feet to any boundary line of the tract nor closer than 330 feet to a quarter-quarter section line or subdivision inner boundary line. Any well drilled to and producing from the Jalmat Gas Pool prior to the effective date of this order at a location conforming to the spacing requirements effective at the time said well was drilled shall be considered to be located in conformance with this rule. *Y*

(R-520 - Special)

RULE 3. The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 2 without notice and hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 1980 foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all operators within such radius, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary of the Commission shall wait at least 20 days before approving any such unorthodox location and shall approve such unorthodox location only in the absence of objection of any offset operators. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing. *Y*

(R-520 - Special)

RULE 4. The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the Jalmat Gas Pool located in Lea County, New Mexico. *Y*

(R-520 - St. Rule 104, Para. (k), refers to allocation of oil or gas to proration units in proportion to increased or decreased units.)-
(General)

ILLEGIBLE

GAS PRORATION

RULE 5. (a) The acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the Jalmat Gas Pool, a standard proration unit shall consist of between 632 and 648 contiguous surface acres substantially in the form of a square which shall be a legal subdivision (section) of the U. S. Public Land Surveys with a well located at least 1980 feet from the nearest property lines; provided, however, that a non-standard gas proration unit may be formed after notice and hearing by the Commission, or under the provision of Paragraph (b) of this Rule.

The allowable production from any non-standard gas proration unit as compared with the allowable production therefrom if such tract were a standard unit shall be in the ratio of the area of such non-standard proration unit expressed in acres to 640 acres. Any gas proration unit containing between 632 and 648 acres shall be considered to contain 640 acres for the purpose of computing allowables.

(b) In establishing a non-standard gas proration unit the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration; provided, however, that any well drilled to and producing from the Jalmat Gas Pool, (as defined herein, prior to the effective date of this order at a location conforming with the spacing requirements effective at the time said well was drilled shall be granted a tolerance not exceeding 330 feet with respect to the required distances from the boundary lines.) The maximum acreage which shall be assigned with respect to the well's location shall be as follows:

<u>Location</u>	<u>Maximum Acreage</u>
660' - 660'	160 acres
660' - 1980'	320 acres

(c) The Secretary of the Commission shall have the authority to grant an exception to Rule 5 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with;

1. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

2. The non-standard gas proration unit lies wholly within a single governmental section.

3. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard gas proration unit does not exceed 5280 feet. *Held for 160, 320, 640*

5. The applicant presents written consent in the form of waivers from (a) all operators owning interests in the quarter sections in which any part of the non-standard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit, and (b) all operators owning interests within 1500 feet of the well to which such gas proration unit is proposed to be allocated.

(6) In lieu of paragraph 5 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. The Secretary of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

(R-520,) (R-520-A - Amends Gas Proration, Rule 5 (b) #5; words "quarter sections" stricken and word "section" ~~amended~~ substituted.)

(b) At pages 7, 14, and 19 in GAS PRORATION, RULE 5 (b), #5 of the order entered on August 16, 1954, and at pages 6, 12, and 16 of the original signed order, pertaining to the Jalmat, Edmont and Arrow Gas Pools, respectively, the words "quarter sections" are ordered stricken, and the word "section" is substituted therefore.

(R-520-A - Rule R-520 further amended by R-1092-A as follows.)

RULE 5. (a) (first paragraph) No change

(second paragraph) Revise to read as follows:

A non-standard gas proration unit shall be assigned an "Acreage Factor" for proration purposes to be determined by dividing the acreage in the non-standard gas proration unit by 160 acres. Any gas proration unit containing between $\frac{1}{2}$ 632 and 648 acres shall be considered to contain 640 acres for the purpose of computing allowables.

(third paragraph) No change

(b) No change.

(R-1092-A - Revise Rule 5, R-520 to include acreage factor) (Special)

RULE 6. (a) The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Jalmat Gas Pool and other relevant data and shall fix the allowable production of the Jalmat Gas Pool.

(b) The allowable assigned to any well capable of producing its normal gas allowable in the Jalmat Gas Pool shall be the same proportion of the total remaining allowable allocated to said pool after deducting allowables of marginal wells that the number of acres contained in the gas proration unit for that well bears to the acreage contained in all gas proration units assigned to non-marginal wells in the Jalmat Gas Pool.

(R-520)

(R-967 - Supercedes R-520 and amends as below.)

(R-1092-A - Revises R-520 and R-967 as shown following, Rule 6, R-967 below.)

(3) That the Special Rules and Regulations for the Edmont and Jalmat Gas Pools as set forth in Order R-520, dated August 12, 1954, and the Special Rules and Regulations for the Tubb, Byers-Queen and Justis Gas Pools as set forth in Order R-586, dated April 11, 1955 be and the same are amended as follows:

(R-967)

ILLEGIBLE

RULE 6 - R-520

(a) The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Eumont, Jalmat, Tubb, Byers-Queen and Justis Gas Pools and other relevant data and shall fix the allowable production for the Eumont, Jalmat, Tubb, Byers-Queen and Justis Gas Pools.

(b) For the purposes of proration, each well shall be assigned an acreage factor determined by dividing the acreage assigned to the well by 160 acres.

The allowable to be assigned to each marginal well shall be equal to the maximum production during any month of the preceding gas proration period.

(c) The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the Pools.

ILLEGIBLE

RULE 6. - R-1092-A

(a) The Commission, after notice and hearing, shall consider the nominations of the gas purchasers from the Jalmat Gas Pool and other relevant data in fixing the allowable production for the pool.

(b) The monthly allowable allocation to the Jalmat Gas Pool shall be divided and allocated among the wells in the pool which are entitled to an allowable in the manner hereinafter set forth.

A marginal well shall be assigned an allowable equal to its maximum production during any month of the preceding gas proration period.

(c) The pool allowable remaining after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells in the pool as follows:

(1) Twenty-five per cent (25%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "Acreage Factor" bears to the total "Acreage Factor" for all non-marginal wells in the pool.

(2) Seventy-five per cent (75%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

A well's "Acreage Factor" shall be determined by dividing the acreage assigned to the well by 160 acres. The "Acreage Factor" shall be determined to the nearest one-hundredth of a unit.

A well's "AD Factor" shall be determined by multiplying the well's "Acreage Factor" by its "Calculated Deliverability" (expressed in MCF per day). The "AD Factor" shall be computed to the nearest whole unit. In those instances where there is more than one well on a proration unit the "Calculated Deliverability" for the unit shall be determined by averaging the "Calculated Deliverabilities" of all the wells on the unit.

(c) Annual deliverability tests shall be taken on all gas wells in the Jalmat Gas Pool in a manner and at such time as the Commission may prescribe. The results of such tests shall determine a well's "Calculated Deliverability." Deliverability tests taken during 1958 shall be used in calculating allowables for wells in the Jalmat Gas Pool until July 1, 1959. Subsequent annual deliverability tests shall be used for each twelve-month period thereafter.

(d) No well shall be assigned an allowable until an approved deliverability test has been filed with the Commission.

(e) The Secretary of the Commission shall have authority to exempt marginal wells from the requirement of taking an annual deliverability test in those instances where the deliverability of the well is of such low volume as to have no significance in the determination of the well's allowable.

(f) Retests and tests taken after recompletion or workover shall be taken in the same manner as provided in subparagraph (c) above, and any change in the well's "Calculated Deliverability" resulting therefrom shall become effective;

(1) On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operator; or

(2) A date 45 days prior to the date upon which a well's deliverability and shut-in pressure test is reported to the Commission on Form C-122-C; or

(3) A date 45 days prior to the receipt and approval of Form C-104 by the Commission office (Box 2045, Hobbs, New Mexico);

(Form C-104 shall specify the exact nature of the workover or remedial work; if the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall also be filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations. Form C-128 (Well Location and Acreage Dedication Plat) shall be submitted by the operator at any time there is a change in the acreage dedicated to said well);

(R-1092-A - Revises R-520 and R-967 - Special)

ILLEGIBLE

RULE 7. At least 30 days prior to the beginning of each gas proration period the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Jälmät Gas Pool. The Commission shall consider the "Preliminary Nominations" of the purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

(R-520 - Delete words "Jälmät Gas Pool" and substitute "All Gas Pools" - General)

RULE 8. In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "supplemental" nomination, showing the amount of gas he actually in good faith desires to purchase during the ensuing proration month from the Jälmät Gas Pool. The Commission shall hold a public hearing between the 15th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month.

Included in the monthly proration schedule shall be (a) a summary of the total pool allocation for that month showing nominations, and adjustments made for underage or overage applied from a previous month, (b) a tabulation of the net allowable, and production for the second preceding month together with a cumulative overage or underage computation, (c) a tabulation of the current and net allowables for the preceding month, (d) a tabulation of current monthly allowables for the ensuing proration month, and (e) a tabulation of ~~current monthly production~~ ~~allowables~~ the acreage assigned each well together with a tabulation of the acreage factor assigned each well. For the purpose of allocation a proration unit of 640 acres shall be assigned an acreage factor of 4.00; a proration unit of 160 acres a factor of 1.00, etc.

"Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Jälmät Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Jälmät Gas Pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well. The total allowable to be allocated to the pool each month shall be equal to the sum of the preliminary or supplemental nominations (whichever is applicable), together with any adjustment which the Commission deems advisable.

If during a proration month the acreage assigned a well is increased the operator shall notify the Proration Manager in writing (Box 2045, Hobbs, New Mexico) of such increase. The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Proration Manager.

ILLEGIBLE

(R-520)
(R-967 - Amends Rule 8, R-520 as follows:)

RULE 8 - R-520

In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "Supplemental Nomination," showing the amount of gas he actually in good faith desires to purchase during the ensuing proration month from the Eumont, Jalmat, Tubb, Byers-Queen and Justis Gas Pools. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month along with such other information as is necessary to show the allowable production status of each well on the schedule. "Supplemental Nominations" shall be submitted on a Form C-121-A as prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Eumont, Jalmat, Tubb, Byers-Queen and Justis Gas Pools delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule any wells which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well.

The total allowable to be allocated to the pool each month shall be equal to the sum of the "preliminary or "Supplemental Nominations" (whichever is applicable), together with any adjustment which the Commission deems advisable. A monthly allowable shall be assigned to each well entitled to an allowable in the pool by allocating the pool allowable among all such wells in accordance with the procedure set out in Rule 6 provided, however, that the allowable assigned to any well shall not exceed the well's known producing ability. A well, ~~the~~ the allowable of which is so limited, shall be classified as a marginal well and shall not be permitted to accumulate underproduction, and any underproduction accrued to a well prior to its classification as a marginal well shall be cancelled. Any well classified as a marginal well shall be removed from such classification in instances where the production of the well evidences that the classification is no longer applicable.

Effective January 1, 1958, and after the production data is available for the last month of each succeeding gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its allowable during at least one month of such preceding gas proration period may be classified as a marginal well unless prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified. However, a well which in any month of ~~at~~ said proration period ~~shall not be classified as a marginal well~~ has demonstrated its ability to produce its allowable for said proration period shall not be classified as a marginal well.

The director may reclassify a marginal or non-marginal well at any time the wells production data, deliverability data, or other evidence as to the wells producing ability justify such reclassification.

El Paso Natural Gas Company

El Paso, Texas

January 12, 1960

**To All Members of Commission-Appointed
Committee to Consolidate Gas Pool Rules:**

A meeting has been set by the Chairman for January 19, 1960. This meeting will be held in El Paso in the 15th floor conference room of the El Paso Natural Gas Building at 8:30 a.m. At this time, it is the intention to attempt to complete the job assigned to the Committee of consolidating the gas pool orders for the State of New Mexico into two basic orders, one for the northwest and one for the southeast. Consequently, the meeting may take two to three days.

Reservations have been made for all members of the Committee, plus two representatives from Continental, at the Cortez Hotel in El Paso beginning the night of January 18th for an indefinite stay.

I am attaching with this letter copies of the pool rules for the Pictured Cliffs gas pools in the San Juan Basin area.

Yours very truly,



D. H. RAINY, Secretary

DHR:jmh
Attachments

cc: Mr. J. A. Queen
Mr. D. R. Currens
Mr. Elvis A. Utz ✓
Mr. Harlan Flint

Dear Elvis and Harlan,

For some reason, when I started assembling orders I discovered that I did not have enough copies of all the orders involved, and I even had to strip our departmental files in an effort to get enough for Dan Currens and John Queen. I have noted in the upper right-hand corner of the Index Sheet the orders which should be attached but are missing for each pool. Will you please pull copies of these orders and attach them to the Index Sheet so that you may have a complete file for our meeting on January 19.

C O P Y

DHR