

RULE 301. GAS-OIL RATIO AND PRORATION TESTS

(a) Each operator shall take a gas-oil ratio test no sooner than 20 days nor later than 30 days following the completion or recompletion of each oil well, if (1) the well is a wildcat, or (2) the well is located in a pool which is not exempt from the requirements of this rule. (Wells completed within one mile of the outer boundary of a defined oil pool producing from the same formation shall be governed by the provisions of this rule which are applicable to the pool.) The results of the test shall be reported to the Division on Form C-116 within 10 days following completion of the test. The gas-oil ratio thus reported shall become effective for proration purposes on the first day of the calendar month following the date they are reported.

Each operator shall also take an annual gas-oil ratio test of each producing oil well, located within a pool not exempted from the requirements of this rule, during a period prescribed by the Division. A gas-oil ratio survey schedule shall be established by the Division setting forth the period in which gas-oil ratio tests are to be taken for each pool wherein a test is required. The gas-oil ratio test shall be such test designated by the Division, made by such method and means, and in such manner as the Division in its discretion may prescribe from time to time.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 9504 Exhibit No. 1
Submitted by _____
Hearing Date _____

(b) The results of gas-oil ratio tests taken during survey periods shall be filed with the Division on Form C-116 not later than the 10th of the month following the close of the survey period for the pool in which the well is located. The gas-oil ratios thus reported shall become effective for proration purposes on the first day of the second month following the close of the survey period. Unless Form C-116 is filed within the required time limit, no further allowable will be assigned the affected well until Form C-116 is filed.

(c) In the case of special tests taken between regular gas-oil ratio surveys, the gas-oil ratio shall become effective for proration purposes upon the date Form C-116, reporting the results of such test, is received by the proration department. A special test does not exempt any well from the regular survey.

(d) During gas-oil ratio tests, no well shall be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 percent.

(e) The Division Director shall have the authority to exempt such pools as he may deem proper from the gas-oil ratio test requirements of this rule. Such exemption shall be by executive order directed to all operators in the pool being exempted.

(f) The Division Director shall have the authority to require annual productivity tests of all oil wells in pools exempt from gas-oil ratio tests, during a period prescribed by the Division. An oil well productivity survey schedule shall be established by the Division setting forth the period in which productivity tests are to be taken for each pool wherein such tests are required.

(g) The results of productivity tests taken during survey periods shall be filed with the Division on Form C-116 (with the word "Exempt" inserted in the column normally used for reporting gas production) not later than the 10th of the month following the close of the survey period for the pool in which the well is located. Unless Form C-116 is filed within the required time limit, no further allowable will be assigned the affected well until Form C-116 is filed.

(h) In the case of special productivity tests taken between regular test survey periods, which result in a change of allowable assigned to the well, the allowable change shall become effective upon the date the Form C-116 is received by the proration department. A special test does not exempt any well from the regular survey.

(i) During the productivity test, no well shall be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 percent.

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(c) In the case of special tests taken between regular gas-oil ratio surveys, the gas-oil ratio shall become effective for proration purposes upon the date Form C-116, reporting the results of such test, is received by the proration department. A special test does not exempt any well from the regular survey.

(d) During gas-oil ratio tests, no well shall be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 per cent. ~~No well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period.~~

(e) The Division Director shall have the authority to exempt such pools as he may deem proper from the gas-oil ratio test requirements of this rule. Such

exemption shall be by executive order directed to all operators in the pool being exempted.

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(i) During the productivity test, no well shall be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 per cent. ~~No well shall be assigned an allowable greater than the amount of oil produced on tests during a 24-hour period.~~

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico Case No. <u>9504</u> Exhibit No. <u>1-A</u> Submitted by _____ Hearing Date _____
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