

30-005-62887

IT IS THEREFORE ORDERED THAT: R-9583

(1) The applicant, Collins & Ware, Inc., is hereby authorized to drill a well at an unorthodox gas well location 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico, to test the Montoya formation.

(2) The S/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) Upon completion of the subject well and annually thereafter, the applicant shall conduct a deliverability test to determine the well's ability to produce into the pipeline.

(4) The applicant shall be required to notify BHP and the Division of the date and time such annual deliverability tests are to be conducted in order that said tests may be witnessed.

(5) The subject well is hereby assigned a production limitation factor of 50%. The well's daily production shall be limited to 50% of the rate it is capable of producing into the pipeline as determined by the above-described annual deliverability tests.

4-13-92
Computed Dip Log
3700-4765
Oval Hat
1500-6745
Comp Proration
Surf - 6154

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(6) Production during any month at a rate less than the limitation described above shall not be carried forward as underproduction into succeeding months, but overproduction of such limitation during any month shall be made up in the next succeeding month or months by shut-in order or reduced rates as required by the supervisor of the Artesia district office of the Division.

(7) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.