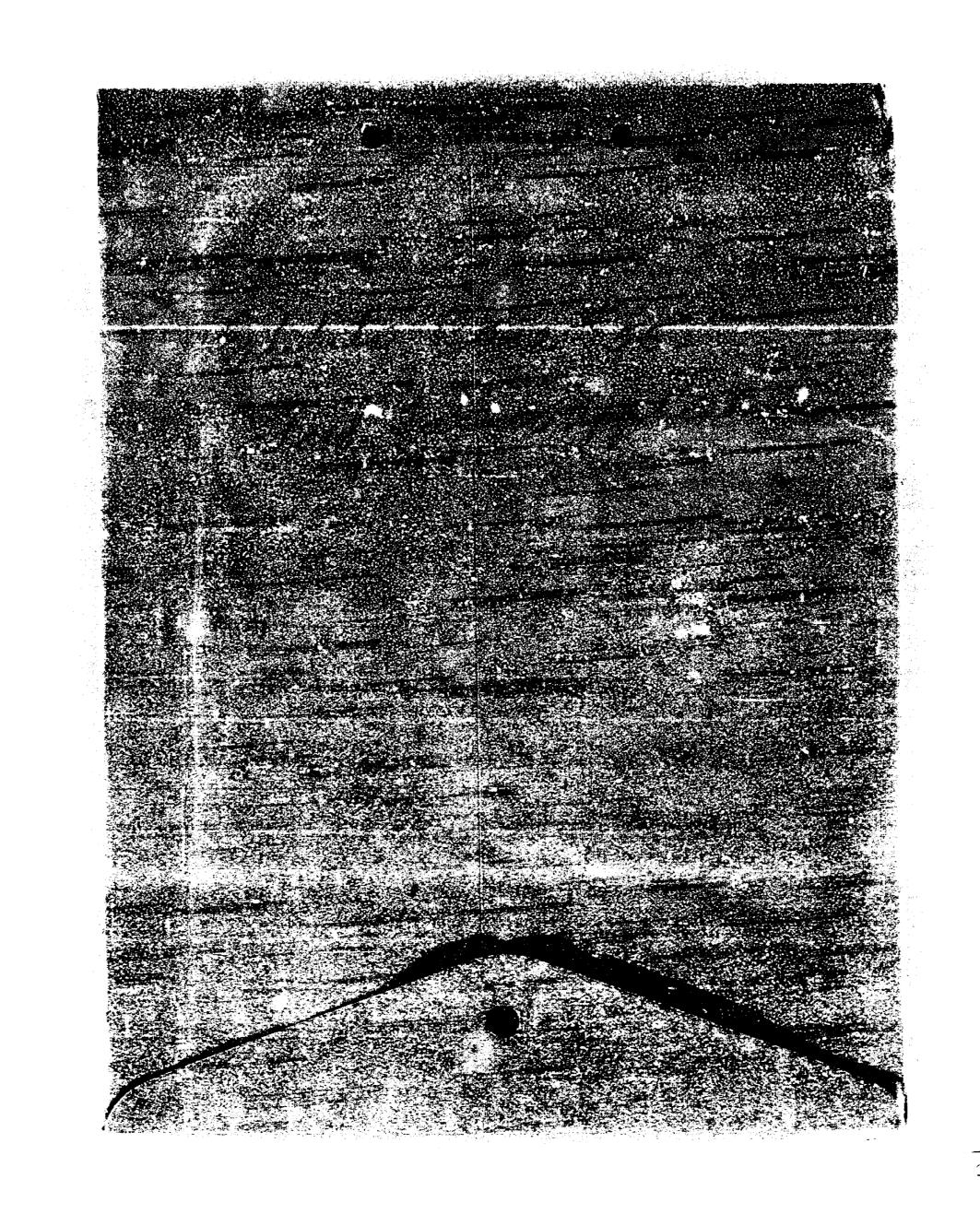
CASE No.

55

Large Exhibits
OCD



No. Habilitan

- Andrews

RAILROAD COMMISSION OF TEXAS

Mr. Fred Turner, Jr. Midland, Texas Dear Fred:

On receipt of your letter of July 24, I asked our Oil and Gas Division to give you the information you requested.

During the absence of our Director of Production, Jack Baumel, who was trying to solve our problem in the Bammel Field, Clark Lloyd, our Chief Enforcement Officer, worked up the enclosed memorandum, which should be of help to you. Since we do not have a tabulation of all the wells that have been allowed new discovery allowables for the reasons assigned in this memorandum, the Commission can certainly make a statement as a correct statement of fact that our policy of allowing new discovery allowables for one-half mile extension of fields has stimulated drilling and production.

and production. If the statement in this letter to this effect is not sufficient, let me know, and I can give you a statement to that effect signed by all three Commissioners. I would do so today but am the only Commissioner in the office today.

It is a pleasure to be of any help I can be to you, and it is a pleasure to send you this memorandum, as well as the orders of the Commission relating to this subject.

With all good wishes, I am

Yours most sincerely,

SINCLAIR PRAIRIE OU MARKETING COMPANY

NATIONAL BANK OF TUESA BUILDING

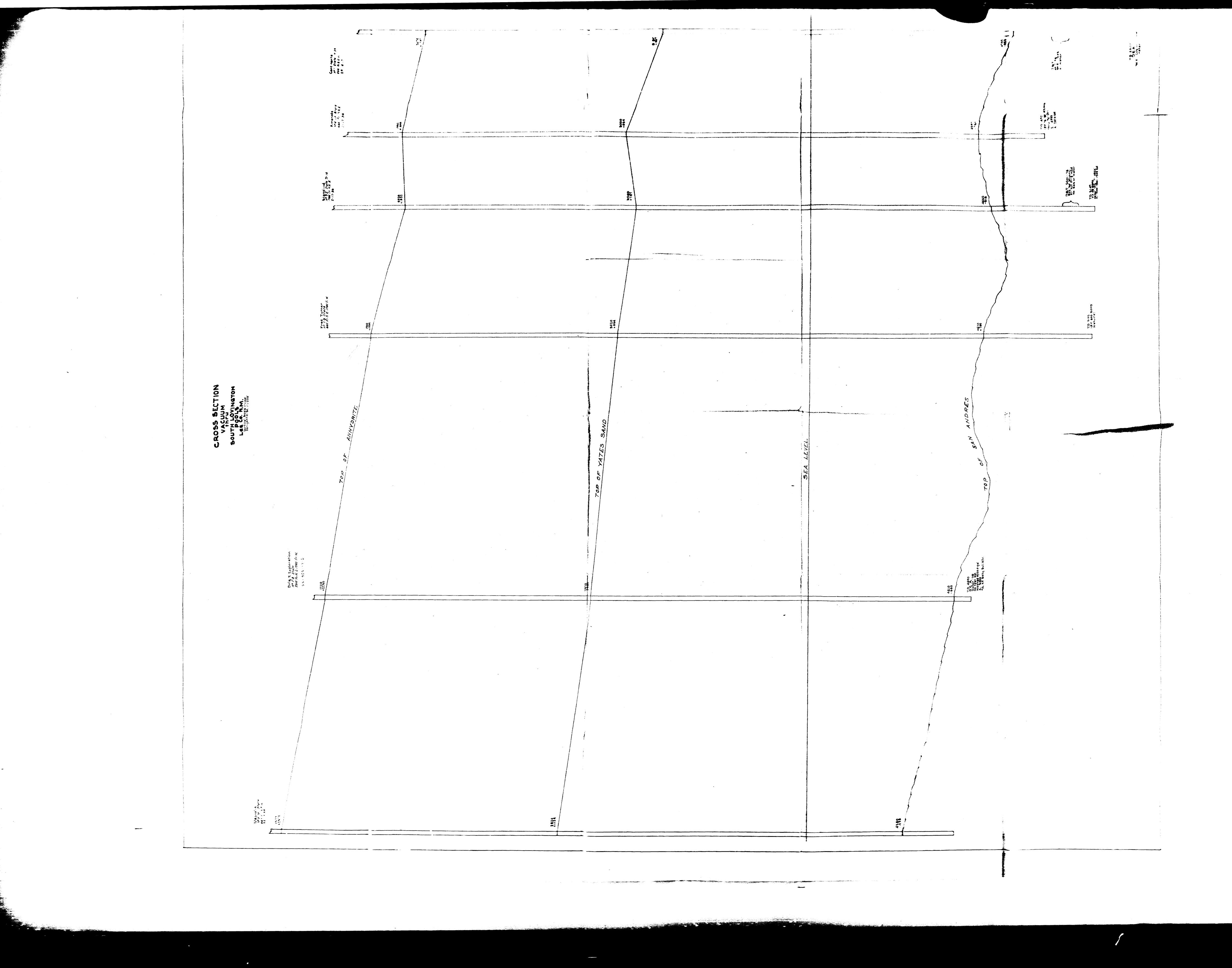
Types, Orlandona

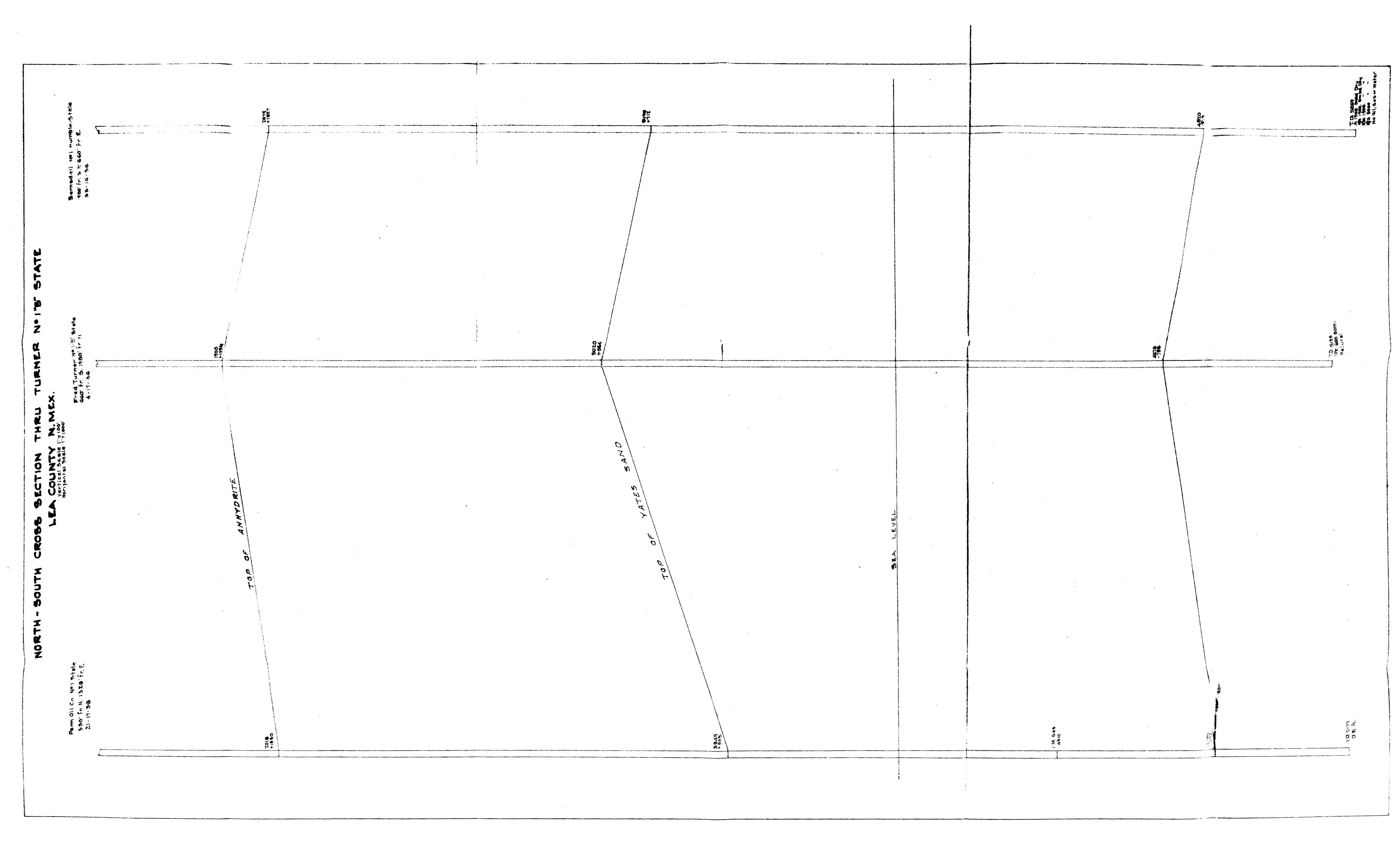
Mr. Fred Turner, Jr. P. C. Box 910 Midland, Texas

-

Dear Mr. Turner: We recently arranged to purchase the production from your #1 State "B" in Section 4-17-36, South Lovington Pool, Lee County, New Mexico, and we understand you have now made application to the New Mexico Conservation Commission for a discovery allowable applicable to the above well. This company has urgent need for additional crude oil purchases in the South Lovington area and other areas in New Mexico where it purchases oil, and can assure you of a market for any additional production from such areas.

Yours very truly, SINCLAIR FRAIRIE OIL MARKETING COMPANY





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62 1 H dulub 13 CARL B. KING DRILLING CO. P @ BOX 870 MIDLAND, TEXAS 3015 26, 1944

> Tr. Fred Turretr, Jr. 919 xor Midlend, Persa

Desr Sir:

IW/d

In committance with your recuest, we wish to solvise that the rost of drilling wolls amproxi--atoly 80001 door in the Lea County, New Mexico, erea has incremed from 88.75 per foot in 1941 to 18.50 por foot in 1944. For further contarison the first wells we drilled in the Eullerton Area of Ambrows County, Texas, were continuoted at 16.80 mm foot, and we now receive totion than 23.00 may foot for the identical drilling.

The to the fact that most of the expense topolyed in drilling a wildcat weell is labor, benling and other intensible costs, it is our orinion that the cost of drilling a wildcat well in Les County, New Mexico, is 100% exester now than it was three years ago.

If we can sive you may other information, plesso sali upon us.

Nours very truly,

Ethili T

RAILECAD COMMISSION OF TEXAS

OIL AND GAS DOCKET HOS. 108, IN RE: CONSERVATION AND PREVENTION 120, 123, 124, 125, 126, 128, OF WASTE OF CRUDE PETROLEUM 12), 132 and 146 AND NATURAL GAS IN THE STATE OF TEXAS Jeo-5203

OIL AND GAS DIVISION

August 16, 1943

Austin, Texas

CRDER AMENDING STATEWIDE CRDER NO. 20-4356 FIXING AFLOWABLES FOR DISCOVERY WELLS IN THE STATE OF TEXAS

WHEREAS, The Commission finds that in the interest of national defense and the promotion of the war effort, encouragement should be given to the discovery of new reserves of crude oil within the State of Texas, and

WHEREAS, The Commission finds that exploratory drilling, which has as its purpose the discovery of new reserves of crude oil, should be encouraged and additional allowables should be granted to such discoveries.

NOW, THEREFORE, IT IS ORDERED By the Railroad Commission of Texas that effective 7 A. M., August 17, 1943, its Order No. 20-4356 dated January 15, 1943, be emended in such a manner that the sould of daily well allowables as herein set forth shall be applied in determining the oil allowable of wells order the hereinafter prescribed conditions.

SCALE OF VALLOWABLES

INTERVAL OF DEPTH	DAILY WELL ALLOWADI
9 - 1,000	20 111 5.
1,000 - 2,000	No Fblo.
2, 000 - 3,000	ϵ c bbls.
3,0 00 - 4,000	ಕೆಂ ಶಿಶಿಸಿನ.
4, 000 - 5,000	100 bblo.
5,400 - 7,650	lab bila.
6,000 - 7,000	lel bala.
~	iff hilm.
5,000 5,000 - 7,000	lôo tela.
9,000 - 10,000	200 3515.
10,000 - 11,000	220 3513.
11,000 - 12,000	241 3315.
12,000 - 13,000	260 5:10.
13.77	210 3:1
	300 thin.
•	

II II FIRTHER WITTEN THE SAME SOURCE OF SUCCESSIVE WILL SILCHER Lon-నున 11 కర్షన్ కర్సాలోనికుంతే ఇక్కు నమ్మి మ్మార్టనులోనికా నాణాకరానికి ఇవారానికి కూడా కార్యాలు

್ಲಿ ನಿರಾಧಕ್ಕೆ ಇದ್ದರು. ಇತ್ತಿದ್ದ ಪ್ರತಿಕ್ರಿಗಳ ಕನ್ನಡಿಗೆ ಮುಖ್ಯಕ್ಕೆ ಕಾರ್ಯಕ್ಕೆ ಮಾಡಿದ್ದಾರೆ ಕರ್ನಾಯಕ್ಕೆ ಮಾಡಿದ್ದಾರೆ. ್ ೧೯೮೮ ೧೯೯೯ ರೆಕ್111eರ ಎಂ ಆರೋಗಿ ಎಂ ಡೋಗೀಕ್ಸ್ ಕಾರಿ ಕಿಕ್ಷ ಸರ್ಕಾರಿಗಳು, ಸಂಭವಿಸಿಗೆ ಕಿಂಗು ಸರ್ಕಾರ ಅ ಕಳ್ಳಿದ್ದಾರೆ, ರೂಪಕ್ಷಪ್ರಾರ್ಥವಾಗ ಹಿನಾಗಿತ್ತರ ಎಂದು ಮತ್ತಿರಿಗೊಳಿಸಿರು. ಪ್ರಾರಂಭವಾಗುವ ಮುಂದು ಮುಂದು ಮುಂದು ಮುಂದು ಮುಂದು ಮುಂದು タインド AVECTOR SECTION TELEPROPER CHARGOS EN AN AN AND AN AND MAIL PAR MED COLORS CONTRACTORS ESPECIALLY

Ethilut # 2-55

GUY MABRE DRILLING COMPANY 1914 Atlas Life Building TULNA, OKLAHOMA July 26, 1944

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FIRE OF CHIEF. Midized, Texas Grayville, Illinois

> Mr. Fred Turner, Jr. Pox 810 Midland, Texts

Poet Sir:

ad/%

Confirming our conversation, we wish to advise that all labor, hauling and rig building costs have incressed, in the past three years, to such an extent that the cost of contract drilling has had to be increased approximately 100% in order to allow a margin of profit. We would say that the cost of drilling o wildcat well has increased 100% in the rest four years.

If we can be of further service, rlease let us know.

> Very truly yours, SEV MARKE THILLING CO.

Ex Rider # 3.55

C. T. MCLAUGHLIN DRILLING CONTRACTOR MIDLAND, TEXAS July 20, 1944

ir. Fred Tonder, Jr. Pox 910 Midland, Texes

Dear Sir:

With reference to present conditions in the oil industry, we wish to make a naint of the fact that unless the wildcatter receives some inconting in the way of either an emprortanity to sell more oil or a substantial increase in the rries of oil, they are not roise to open up very meny new oil producing areas.

Our business is contracting the drilling of wells and we have found that all costs have increased to such an extent that the cost of drilling a wildcat has more than doubled during the last four years whereas the reward for findia new oil pool has not been increased ony.

Yours traly,

CTM/wt

Wir 5.55

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

In the Matter of the Application of Walker T. Pound, Conservation Officer, to Determine the Amount of Oil to be Produced in the State of Oklahama for the Months of August and September 1943

CAUSE C D No. 657 CROPER No. 16542

REPORT OF THE COLLISSION

This cause came on for hearing before the Corporation Commission of the State of Cklahoma in its court room in the Capitol Office Building, Oklahoma City, Cklahora, on the 28th day of July, 1943, at 11 o'clock, A.K., upon the application of the Conservation Officer and pursuent to an order of the Commission setting the cause for hearing and notice thereof published as required by law; at which hearing there agreered the Conservation Officer, the Conservation Attorney, and many operators, producers, purchasers, and takers of oil, and others interested in the various sources of supply of oil in the State of Oklahoma, and evidence in support of said application was adduced and all perties present anniounced that they had no further evidence to offer; whereupon the Commission, having considered all of said evidence, and being fully advised in the premises, finds as follows:

1. That notice by publication of the filing of the application herein, the time and place of the hearing thereon, and the purpose of said hearing, has been regularly given in all respects as required by law, and the Commission has jurisliction of the subject matter embraced in seid application and of the parties interested therein, and jurisdiction to issue and promulgate the hereinafter presoribed order.

2. That on the 2nd day of July, 1943, the Commission issued its Order No. 16488 in Cause C. D. No. 852, establishing the amount of oil to be produced for the month of July 1943 from all of the common sources of supply in the State of calahoma, including but not limited to crude cil, condensate, and matural gasoline at 363,400 berrels per day, which was within the certification made by the Fetroleum Administrator for War.

3. That the full production of the various common sources of supply in the State of Oklahoma during the months of August and September 1943 ografit be obtained without weste, as defined by the statutes of the State of Cklehone and the rules and regulations of the Commission; that there are not sufficient transportation or marketing facilities nor market demand for the full production of oil therefrom during said period, and that it is necessary to restrict the production of oil in each of said common courses of supply.

4. That the Componetion Commission has claraffed each of the common sources of supply in the State of thishome into divisions known as stripper order. Classes A. B. and C. and unclassified allocated areas; that such classification is no occasiny and proper in order that weste may be prevented and that there be no discrimination between the various sources of supply, and in order properly to sanining the laws of the State of (klarome and the orders of the Commission.

5. That the Corp ration Comminsion was considered each of the corrun sources of supply in each of the classifications above enumerated as a seperate and distinct unit in determining the amount of til that should be produced.

5. That the Provident of the United States appointed the Romorable Service. Tosse, Secretary of the Interior, as Fetr lear whiterestreet for hor. the an estate, empowered the to occurring to eat regulate the promottion of the the next and the Thirted Stokes during the next and emergency; but the Pitrilian Administrator pertified the total production of all retroleur laquida annauctor b that limited to made oil, condensate, and metural gasoline, in the State of beliable during the mustbe of August and September 1943 about to improvious by 34", with married per day.

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Order Amending Statewide Order No. 20-4356 Tage 2 8-16-43

(a) For the purpose of assigning discovery allowables, groups or clusters of wells aball be considered. Each such group or cluster of wells shall commist of the first well in such group or cluster and all other wells which are completed within a radius of less than one-half mile of the first will of each group or cluster. The discovery allowable as applied to any such eroup or cluster of wells shall have its allowable beginning on the date that oil is first satisfactorily marketed from any well in the group or cluster and shall, in no event, apply for more than 18 months thereafter, starting from the date of each well's having a satisfactory outlet to market. Selling oil from any well is evidence of a satisfactory market for that well, but does not commit the owner of any other well. The completion of a sixth well at a dirtance less than one-half mile from the discovery well of any group or cluster shall terminate the discovery allowable for all wells included in that group or cluster. The purpose of this order is to encourage extensions of development, and to develop new oil reserves.

(b) Any producing oil well completed at a distance in excess of one-half mile from the closest well which produces oil from the same horizon may te claimed to be the discovery well around which a group or cluster of wells may to started. In order to be assigned to such group or cluster so established, all subsequent completions must be within a radius of less then one-half mile from the well which established the group or cluster to which it is desired to assign such subsequent completions and must in addition thereto be more than one-half mile from any well used to establish any other group or cluster of vells.

IT IS FURTHER ORDERED That all wells to which the provisions of this trier shall be found to apply shall be exempt from all shotdown orders during such period of time as the provisions of this order are applied thereto. IT IS FURTHER CEDERED That this cause be held open on the docket for

such other and further orders as may be necessary. RAILROAD COMMISSION OF TEXAS Reauford H. Jester, Chairman

Olin Gulberson, Commissioner Ernest C. Thompson, Commissioner

ATTEST: L. D. Ramsom, Secretary

7. That from reports made by the natural geneline plants throughout the State of Eklahoma and from other sources it appears that the production of natural gasoline, condensate, and other liquefied petroleums not usually classified as crude oil, will be approximately 20,000 barrels daily during the months of August and September 1943, which emount is determined from such production during the past several months, the capacity of the natural gasoline plants and other factors in the production of such liquefied petroleums.

8. That the Corporation Commission has considered the amount of cil that can be produced from each of the allocated common sources of supply in the State of Cklahoma without waste, and finds that during the months of August and September 1943 there can be produced from each of the clicated common sources of supply the amount hereinafter set out in this order, which together with the stripper areas will amount to 330,000 barrels of oil per day; that said amount can be produced in the manner hereinafter set out in this order without physical Waste; and that there is a firm market demand for same; that production at said daily rate will tend to increase the ultimate recovery of oil and to prevent waste.

9. That in the interest of National defense and in order to promote the war effort and to fully cooperate with the Petroleum Administrator, the Commission finds that the amount of oil including natural gosoline, condensate and other liquefied petroleums which can be produced without waste during the months of August and September 1943 will be 358,000 barrels per day which exceeds the amount recommended by the Petroleum Administrator as above set out, but that the some will be in conformity with the program of the Fetroleum Administrator since it is contemplated during the present emergency that production from all fields should only be limited to the amount that will prevent waste,

10. That approximately ninety per cent of the wells in the State of Oklahoma have very small production and are known a stripper wells; that in order to prevent their premature abandonment and to prevent the various types of weste defined in Chapter 131, Session Lows of 1933, and amondments thereto, and in accordance with the other provisions of said law, all of said stripper wells should be permitted to produce at especity during the months of August and September 1943.

11. That many of the wells in the stripper areas of the State of Oklahoma must be produced at depacity to prevent their premature abandonment, and that purchasers of oil should take from such stripper wells all of the oil that can be produced therefrom before production is taken from the flush or allocated fields; that the full production of such stripper wells is not only necessary in order to prevent waste, but is of vital interest to the producers in said areas and to the State as a whole.

12. That the operators in all of the pools in the State of (kluboma and especially in the stripper areas, should produce their wells, and the parchasers should take oil thorefrom, in such manner as to insure ratable taking in every pool in the State.

13. That in the Apache Fool, where two wells are located on forty acres as provided by the Commission's order establishing twenty-acre triangular specing, the August and September 1943 allowable should be 150 barrels per well per day; and on lesses where one well has been drilled on forty scree and another well is prohibited from being drilled by the provisions of Order N-68 issued by the Petroleum Administrator for War, the allowable of the one well should be 300 barrels per day, with the requirement that all royalty and working interests in a forty-acre unit must receive their proportionate part of the production in order for the 300 barrels allowable to be effective; provided that, if it appears to the Commission after natice and hearing that a forty-acre unit is not entirely productive of cil, the Commission will reduce the allowable accordingly; provided further, that The Texas Company's Fulkehay well No. 3 should have an allomable of only 150 barrals per day for the months of August and September 1943 for the reason that said well is whipstocked and is bottomed some 135 feet off center; that the allowable of The Texas Company's Mulkehay Well No. 5 should be 225 barrels per day for the months of August and September for, while the Mulkehay Well No. 6 drilled in the same forty acres was a dry hole, it appears that more then half and probably three-fourths of the forty-acre unit will be productive of

14. That all underage as of July 1, 1943, and August 1, 1943, in excess of one day's allowable shall be conceled unless the operator presents to the Conservation Officer or the Commission evidence that same can be made up without waste, in which event underage may be made up as directed by the Conservation Officer or the Cormission.

15. That the following pools, to-wit: Dill Merthonet and Cumberland Oll Creek are newly discovered pools and should be restricted at as to prevent waste, and the same should be elessified in the Unclassified Allocated Areas; that the Commission's records show a Norvin Pool but since the lest order of the Commission the Nomenclature Committee of the Mid-Continent Oll & Gas Association has designated the Norvin Pool as the Brooksville South Pool, and that the records of the Commission should be changed accordingly.

16. That all of the requirements herein are necessary in order to prevent waste and to fully cooperate with the Fetroloum Administrator for War, and in order to protect the correlative rights of the operators, producers, and owners, and to be fair and equitable as between the various pools in the State of Oklahoma, and that the August and September 1943 runs shall not exceed 359,000 barrels per day.

17. That the daily allocation for the month of August 1943 as hereinafter set out in this order shall also apply to the month of September 1943 with the exception that the emount allocated to the Cumberland Pools and the Earlaboro Northwest Pool for the month of September appears in the order under September allowables, and in all cases where any new wells are brought into production during the months of August and September 1943 which are not centeined in this order, the Conservation Officer should be authorized to grant such wells the same allowable that other wells are granted in the same common source of supply.

19. The Commission further finds that for scaltine in the past there has been a demand on behalf of the operators, producers and others interested in the projection of oil in the State of Cklabons, for rules and regulations setting out a uniform method of granting to discovery wells an additional allowable which should be known as Discovery Allowables; that to grant discovery discovery discovery any well that is drilled into a new common source of supply abuld be an encouragement to wildout drilling and to the discovery of new common sources of supply; that the discovery of new common sources of supply is most important to the State of Oklahema and to the proper prosection of the wer effort, and to all operators, producers and royalty ewners in this State and to the citizens as a whole; that the granting of such allowables would tend to increase the reserves of oil in this State which are so necessary in the program outlined by the Petroleum Administrator for War; that under the evidence presented at the hearing it appears that some eight or ten months ago there was appointed a committee consisting of outstanding cil operators in this State including an engineer in the Conservation Department, to make a study of the proper method of granting discovery allowables; that soid committee has had numerous meetings and has made therough and exhaustive investigations, and pursuant thereto made recommendations which have been furnished to all operators, producers and others interested in the production of oil, and which have been considered by general meetings of the operators, producers and purchasers on at least one or two occasions which meetings were called for that purpose by the Conservation Officer; that studies have been made of similiar rules in other states and it appears from all of this research and investigation that the rules and regulations hereinafter set cut in this order will be fair, equitable and just and will tend to encourage the drilling of new and wildout wells, and will insure the discovery of additional oil reserves, all of which will be most beneficial to the producers, perators and others interested and to the citizens of the State of (klahers in general, and will tend to promote the var effort and result in a greater ultimate recovery of oil in the State of Cklahema.

IT IS THEREFORE (PDFRID by the Corporation Commission of the State of Oklahema as follows:

1. The Corporation Commission, its Cil and Gas Conservation Department and the efficers and employes thereof, the producers, operators, revalty empors, purchasers and takers of all, and all interested persons recognize that in the antional emergency full and complete cooperation must be given to the war effort and to the Petroleum Administrator for War.

2. From and after ? chelock, A.M., on the 1st day of August, 1943. and for the months of August and September or until otherwise ordered by the Commission, the production from each well and/or lease in each of the allocated commen sources of supply in the State of Cklonom which is not now overproduced, plus any permitted underpreduction to its credit, or minus any averpreduction charged to it as of the 1st day of July and August, 1943, is limited and restrict-

(SEAL)

	AUGUST	***	FER WELL
ASSIFICATION	DATIY ALLOCATION	PER CENT	RINEAR
IPPER WELLS	191,098		
SS "A" POOL Oklahoma City - Wilcox Lond	47,000	98.0	25
SS "8" POOLS		~~	
Billings - Wilcox	4,525	5.03	60 25 Farcinal
Frederick - Deep	500 9 900	2.43	25 Kurginal
Hewitt, West	2,200	95,0 24.0	25 70
Jesse Toule Willey - Browide	1,600 4,400	24.0 15.1	100 Marginal
Fouls Valley - Bromide Pauls Valley - Fennsylvanian		15.1	100 Verginal
SS TON POOLS			
Fitts - Gromwell	500		•
Fitts - Honton	1,000		
Fitts - Upper Simpson	2,500 2,400		-
Fitts - Wilcox	6,400		
CLASSIFIED ALLOCATED AREAS			
Adens	725 25/1		100 125
Anderson	250 7,000		. T%5
Apache	7,000 1,050		
Big Ben of Osago Brooksville	500		160
Brooksville South	500		250
Burbank, South	7,100		
Byers, South	400		76
Crddo - Deep	400		400
Cement	5,800		
Comout, Southwest	1,261		360
Coyle	4,800		200 ·
Cumberland - Branide	3,500 500		
Cumberland - Oil Creek	500 6,500		
Cumberland - McLish	6,500 361		300
Dill, Northeast Forlsbore, North - Wilcox	3 C 1 2,960		300 125
Earlsbord, North - Wilcox Earlsbord, Northwest	8,900 600		200
Errisboro, Northwest Edmond, West	1,257		300
Guthrie	2,000		15G
Guthrie Townsite	300		175
Morn's Corner	795		2 60
Liberty	4CO		400
Liberty, Northeast	350		35°C
Incien, Northeast	500 300		300 160
McConb, South	300 5 300		160
Noval Reserve Nevina, West	2,300 300		100
Oklahoma City -	•		FER WELL
Lower Simpson	7,500		ALLO ABLE
Upper Simpson Dolomite	225	-	
North Upper Heever	360		· -
Remsey - Hunton	1,600		
Ramsey - Wilcox	2,800		0.65
Rusk	1,700		225 200
Shawnee, North	1,160	4	200 200
Stella Velma Deem	278 560		200 400
Velma - Deep Vetaborn Fast	560 2,375		125
Mrtchorn, East	$\frac{2,375}{71,277}$		
TOTAL ALLOCATED AFEAS	138,902		•

358,000

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GPAND TOTAL

that the allowables for the month of August 1943, as hereinebove set out shall apply for the month of September except as follows:

UNCLASSIFIED ALLOCATED AREAS
Comberland - Bromide Pool Cumberland - McLish Fool Enrisburo - Northwest Pool

3,700 Barrels 7,800 Barrels 900 Barrels

that any new well brought in to production during the months of August and September 1943 not considered in the above allocations the Conservation Officer is authorized to grant to such wells for the months of August and September the same allowable as granted other wells by this order in the same semmen source of

3. All overage in the State of Oklahoma as of July 1, and August 1, 1943 shall be deducted from the August and September current allowable; and all underage as of July 1, and August 1, 1943 in excess of one day's allowable shall be canceled unless the operator presents to the Conservation Officer or the Commission evidence that same can be made up without whate, in which event said underage may be made up as directed by the Conservation Officer or the Commission,

4. The allowable in the Apache Pool, where two wells are located on forty acres, shall be 150 barrels per well per day, and where one well has been drilled on forty acres and another prohibited from being drilled by Order M-68 shall be 300 barrels per day; provided that, all royalty and working interests in a forty-acre unit must receive their proportionate part of the production in order for the 300 barrels allowable to be effective; and provided, if it appears to the Commission after notice and having that a unit of forty acres is not entirely productive of oil, the Commission will reduce its allowable accordingly; provided further, the August and September allowable of The Texas Company Mulkehay Well No. 3 will be 150 barrels and of its Eulkebby Well No. 5 225 barrels, as set out in Paragraph 13 of the Findings hereof.

5. All operators, producers, and pruchmeers in pools in which production is allocated by the Commission shall file the reports required by the rules and regulations of the Commission.

6. The orders, rules and regulations of the Commission heretofore promulgated, except as herein specifically medified or amended, shall continue in force and effect until otherwise ordered by the Commission, and this order shall in no menner be construed to release or relieve any operator from making up any and all everpreduction of oil from any well or lease in extess of that allowed by the previous orders, rules, and regulations of the Commission.

7. In order to fully comply with the provisions hereof, the Conservation Department of the Corporation Commission and all operators; producers, purchasors, pipeline companies, refinerica, royalty owners, and all persons interented in or having control, either privately or in all official capacity, over any department of the all industry in the State of Oklahoma, and hereby specifically ordered and directed to make special effort to carry out and assist in carrying out every provision of this order; and any violation of any provincen hereof, and may production in excess of the amount hereby endered, is in violation of the certification mids by the Petroleum Administrator for Wor.

8. Jurisdiction over this cause is hereby retained for the purpose of changing, modifying, or altering this order if at any further harring in this cause or from any other evidence adduced before the Commission it appears that such modification should be made.

9. The several previsions of this erder are coparable, and the vehicity of any the is in newise dependent upon the vehicity of any other. If any prevision section, paragraph, sentence, or choose hereof shall be held to be invalid or veil for any reason, the same shall in no manner affect the validity of any other provided ion, section, paragraph, sentence, or clause of this order. It is further provided that in event for any reason the provisions of this order shall be held to be invalid or void, then the allowable all production of all wells and langes in the verious pecls in the State shall be limited and restricted to the per cent of doily production as rixed and determined by the last valid order of the Commission.

one separate source of supply is proven by the discovery well, then only one discovery allowable shall be granted and this to the source of supply in which the well is completed and produced from initially, except that if any well which has been completed in a known source of supply is deepened and discovers a new, separate source of supply is deepened and discovers a new, separate te source of supply, a discovery allowable shall be granted to it equal to the difference between the discovery allowable computed for the new depth and the depth to the next higher known producing zone. 2. A 5,000 borrel discovery allowable shall be granted to any new source of supply encountered at a depth not exceeding 2000 feet, and only one discovery allowable shall be granted to any single well drilled not to exceed 2000 feet regardless of the number of the common source of supply, but if such a well is drilled below 2000 feet it shall be given the same allowable as hereinafter set out. Solds 2000 feet the following table shell be used as a basis for computing discovery allembles. Basis of DEPTH DISCOVERT ALLOWABLE
PLET BALS. FER FT. OF DEPTH
2001 - 2500 2.75
2501 - 3600 3.0
3001 - 3500 3.25
3501 - 4000 3.5 asis of DISCOVERY ALLOWABIE FEET BBIS. PER FT. OF DEPTH
6501 - 9000 6.0 6,25 9501 - 10000 ő.5 10001 - 10500 4001 - 4500 4501 - 5000 5001 - 5500 5501 - 6000 6.75 7.0 3.75 10501 - 11000 11001 - 11500 7.25 7.5 7.75 8.0 8.25 11501 - 12000 12001 - 12500 6001 - 6500 4.75 5.0 12501 - 13000 -6501 - 7000 13001 - 13500 7001 - 7500 5.25 13501 - 14600 6.5 8.75 9.0 7501 - 8000 14001 - 14500 8001 - 8500 14501 - 15000 The depth used for computing discovery allowables shall be the depth of the top of the producing formation or the top perforation when easing is set through the producing formation. ILLUSTRATION: On a well 6800 deep to the source of supply, the discovery sllowable will be 6800 x 5.0 bbls. per ft., or 34,000 bbls. 3. The discovery allowable so determined shall be granted and produced on a daily retable basis for a posited of the year from the date of marketing the first bil from said discovery well unless such discovery allowable, in addition to the normal allowable rate of production, is found to cause waste, then upon application to the Commission the period of producing discovery allowable may be 4. The discovery allowable shall be produced from the discovery well and subsequent wells on the same lease or unitized area on which a discovery well is located by dividing the remaining discovery allowable equally among soid wells. 5. The discovery allowables shall be granted enlymon application to the Commission, requesting the discovery allowable, said application to be made within 30 days after the date of final completion of the discovery well or at the next regular allocation hearing after such date, and the discovery allowable shall be granted only in the event applicant presents sufficient reservoir date and information to support the granting of the additional allowable as provided for in Section 3 above, provided that the Conservation Officer may grant temperary allowables under this order subject to the approval of the Corporation Commission. DONE AND PERFORMED BY the Corporation Commission at its offices in the Capitol (ffice Building, Oklahoma City, Oklahoma, this 28th day of July, 1943. CORPORATION CONMISSION OF THE STATE OF REFURD BLND Chairmen RAY C. WEEKS Vice-Chairman ATTEST: Commissioner

BLEORE ISE OIL CONSERVATION CONKISSION OF THE STATE OF NOW MEXICO IN THE CATEGORY OF THE HEADING CALLED BY
THE CHI CON MANAGED CONTINGION OF THE
DIATE OF DEW MEYED FOR THE PURIOUS OF
COMPRESSION: CASE NG. 55 OHDER NO. 573 THE MEDICATION OF PART TURNER, CR., FOR AND COMMUNICATION AS SOME ALLOHABLE TO BE COMMUNICATION OF A MAY OF CALL PRODUCE A MAY PRODUCED TO BE A MAY BE A MAY OF A MAY AND SATISFIES OF A MAY AND Files Cold Extension of all this Tim CH. Follow benefits the Miles of Lore Fro. TAK BUTHER PROPERTY AND DESIRED OF WAIT DADEA OF THE COMMISSION BY THE COMMISSION: This coupe came on for hearing at ten clolock A.M., August 4, 1944, at Santa For Mew México, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission". NOW, on this 6th. day of September, 1944, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds: FINDINGS 1. That the bonus discovery allowable provided for herein is reasonable and in the public interest in that it tends to foster the discovery of new reserves to replenish diminished reserves of State and Notion. IT IS THEREFORE OLD MED: That the Order herein shall be known as the: BOINS DISCOVERY ALLOWABLE ORDER 1. That a bonus discovery ellowable shall be granted to any operator who makes a discovery of a new oil cool or a new producing horizon in an existing oil field or an extension of the discovered partion of a known oil pool where such discovery is two miles or more from any commercially productive oil well. 2. That such borns discovery allowable shall be for one well, over and above the ten unit allowable of the promation unit upon which such discovery well is lo-cated, and for an amount of oil in accordance with depth measured to the top of the producing formation as follows: Up to 1000' -- - - 7000 bbls. 1000 - 1500 - - - 7500 " 1500 - 2000 - - - - 10000 " 2000 - 2500 - - - - 12500 " 2500 - 3000 - - - - 1,5000 " 3000 - 3500 + - + - 17500 " 3500 - 4000 - - - - 20000 " and 5 bbls, per ft, of depth below 4000'. (over)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO
THE OIL CONSERVATION COMMISSION OF THE
STATE OF HEW MEXICO FOR THE PURPOSE OF
CONSIDERING: CASE NO. 55 ORDER NO. 573 THE APPLICATION OF FARD TURBER, UR., FOR AN CROSS AUTHORIZING A BONUS ALLOWARD TO BA GRANTED TO ANY OPERATOR WHO MAKES A DECOVERY OF A NEW OIL FOOL OR A NEW PRODUCTIVE OIL FIELD OR AN EXTENSION OF AN EXISTING OIL FOOL EX DRILLING TWO MILES OR HORE FROM ANY CONTENDED ALLY PRODUCTIVE OIL WELL ORDER OF THE COLLUSSION BY THE COMMISSION: This cause came on for hearing at ten o'clock A.M., August 4, 1944, at Santa Fe. New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission". NOW, on this 6th. day of September, 1944, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully edvised in the premises, the Commission finds: <u>FINDINGS</u> 1. That the bonus discovery allowable provided for herein is reasonable and in the public interest in that it tends to foster the discovery of new reserves to replemish diminished reserves of State and Notion. IT IS THEREFORE CHORNED: That the Order herein shall be known as the: BONUS DISCOVERY ALLOWABLE CROER 1. That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool bria new producing horizon in an existing oil field or an extension of the discovered portion of a known oil pool where such discovered pool where such discovered pool of the discovered poo covery is two miles or more from any commercially productive oil well. 2. That such bonus discovery allowable shall be for one well, over and above the tep unit allowable of the promation unit upon which such discovery well is located, and for an amount of oil in accordance with depth measured to the top of the producing formation as follows: Up to 1000' -- - - 5000 bbls. 1000 - 1500 - - - 7500 " 1500 - 2000 - - - 10000 " 2000 - 2500 - - - 12500 H 2500 - 3000 - - - 15000 H 3500 - 3500 - - - 17500 H 3500 - 4000 - - - 20000 H and 5 bbls. per ft. of depth below 40001.

DEFORE THE OIL CONSERVATION COMMISSION OF THE MEANING CALLED BY
THE OF MEN MEXICO FOR THE PURPOSE OF
COMSIDERING: THE AFPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORISING A BONUS ALLOWABLE TO BE GRANTED TO ANY OPERATOR WHO MAKES A DECOVERY OF A MEM SHISTING OIL FROM BY DRILLING TWO DILES OR LORE FROM ANY SCIENCE FROM CASE NO. 55 ORDER: NO. 573 BY THE COLUMNION: OFFICE OF THE GOVETSSICE This cause came on for hearing at ten o'clock A.M., August 4, 1944, at Santa Fo, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission". NOW, on this oth. day of September, 1944, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds: FINDINGS the public interest in that it tends to footer the discovery of new reserves to replenish diminished reserves of State and Nation. IT IS THUREFORD ORDERED: That the Order herein shall be known as the: BONUS DISCOVERY ALLOWABLE ORDER 1. That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool or a new producing horizon in an existing oil covery is two miles or more from any commercially productive oil well. 2. That such bomus discovery allowable shall be for one well, over and above the top unit allowable of the promotion unit upon which such discovery well is loproducing formation as follows: Up to 1000' --- - 5000 bbls. 1000 - 1500 --- - 7500 m 1500 - 2000 --- - 10000 m 2000 - 2500 --- - 12500 m 2500 - 3000 --- - 15000 m 3000 - 3500 --- - 17500 m 3500 - 4000 --- - 20000 m and 5 bbls. per ft. of depth below 40001.

5. That such bonus discovery allowable shall be produced at a daily rate not greater than the figure obtained by dividing the total bonus discovery allowable by the number of days in the current year. A. That such bonus discovery allowable shall be produced within a two year period. Said period shall begin to run with the first sale of oil from said discovery well. 5. A. That application for the bonus discovery allowable provided for berein small to in chadrurlicate upon Form C-102 and shall be accompanied in quadruplicate by the following:

(1) Mecossary production and geological data of such discovery well. (2) Flat of area for three miles around such discovery well. (3) And in addition thereto where the discovery is in a new produc-ing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.

B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the applicant and one to the Lea County Provation Office. 6. That the Order herein shall be applicable to any such discovery made

since June 1, 1944. 7. That the Order herein supersedes any order with which it is in conflict.

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

> (SGD) JOHN J. DENTSEY, Chairman H.R. RODGERS, Member

n JOHN M. KELLY, Secretary

3. That such bonus discovery allowable small be produced at a daily rate not greater than the figure obtained by dividing the total bonus discovery allowable by the number of days in the current year.

4. That such bonus discovery allowable shall be produced within a two year period. Said period shall begin to run with the first sale of oil from said discovery well.

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5. A. That application for the bonus discovery allowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in quadruplicate by the following:

(1) Mecessary production and geological data of such discovery well. (2) Plat of area for three miles around such discovery well.

(3) And in addition thereto where the discovery is in a new produc-ing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.

B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the applicant and one to the Lea County Proration Office.

6. That the Order herein shall be applicable to any such discovery made since June 1, 1944. 7. That the Order herein supersedes any order with which it is in conflict.

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

(SGD) JOHN J. DELIPSEY, Chairman

" H.R. RODGERS, Member

" JOHN M. KELLY, Secretary

3. That such bonus discovery allowable shall be produced at a daily rate not greater than the figure obtained by dividing the total bonus discovery allowable by the number of days in the current year.

4. That such bonus discovery allowable shall be produced within a two year period. Said period shall begin to run with the first sale of oil from said discovery well.

5. A. That application for the bonus discovery ellowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in

quadruplicate by the following: (1) Decessary production and geological data of such discovery well.

> (2) Plat of area for three miles around such discovery well. (3) And in addition thereto where the discovery is in a new produc-

ing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.

B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the applicant and one to the Lea County Proration Office.

6. That the Order herein shall be applicable to any such discovery made since June 1, 1944.

7. That the Order herein supersedes any order with which it is in conflict. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

(SGD) JOHN J. DEAFSEY, Chairman

OIL CONSERVATION COMMISSION

" H.R, RODGERS, Member JOHN E. KELLY, Secretary

(SEAL)

(SEAL)

(SEAL)

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BEFORE THE OIL CONSERVATION COMMISSION
                                    OF THE STATE OF NEW MEXICO
 IN THE MATTER OF THE HRARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF MEM MEXICO FOR WHE PURPOSE OF CONSIDERING:
                                                                                                                             3. That such bonus discovery allowable shall be produced at a daily rate not greater than the figure obtained by dividing the total bonus discovery
                                                                                                                              allowable by the number of days in the current year.
   THE APPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORIZING A BONUS ALLOWARLE TO HE GRANTED TO ANY OPERATOR WHO MAKES A DISCOVERY OF A NEW OIL POOL OR A NEW PRODUCING HORIZON IN AN EXISTING OIL FIELD
                                                                                                                                  4. That such bonus discovery allowable shall be produced within a two year
                                                                                                                              period. Said period shall begin to run with the first sale of oil from said
                                                                                                                               discovery woll.
   OR AN EXTENSION OF AN EXISTING OIL FOOL BY DRILLING
    TWO MILES OR MORE FROM ANY CONCERCIALLY PRODUCTIVE
                                                                                                                             5. A. That application for the bonus discovery allowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in quadruplicate by the following:
    OIL WELL.
                                       ORDER OF THE COMMISSION
    TO THE COMMISSION:
                                                                                                                                      (1) Necessary production and geological data
                                                                                                                                              of such discovery well.
   This cause came on for hearing at ten o'clock A.M. August 4, 1944, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter
                                                                                                                                     (11) Plat of area for three miles around such
                                                                                                                                              discovery well.
        Now, on this 6th day of September, 1944, the Commission having before it for
                                                                                                                                     (111) And in addition thereto where the discovery
   consideration the testimony adduced at the hearing of said case and being fully
                                                                                                                                            is in a new producing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.
    advised in the premises, the Commission finds:
                                          ELMPINGS
                                                                                                                           B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the appli-
        1. That the bonus discovery allowable provided for herein is reasonable and
   in the public interest in that it tends to foster the discovery of new reserves
                                                                                                                           cant, and one to the Las County Provation Office.
   to replanish diminished reserves of State and Nation.
    IT IS THEREFORE ORDERED:
                                                                                                                                 6. That the Order herein shall be applicable to any such discovery made
           That the Order herein shall be known as the:
                                                                                                                             since June 1, 1944.
                                                                                                                                 7. That the Order herein superscaes any order with which it is in conflict.
                                    BOHUS DISCOVERY ALLOWABLE CEDER
                                                                                                                                  DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.
   1. That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool or a new producing horizon in an existing oil
   field or an extension of the discovered portion of a known oil pool where such
  discovery is two miles or more from any commercially productive oil well.
                                                                                                                                                                                     OIL CONSERVATION COMMISSION
       2. That such bonus discovery allowable shall be for one well, over and above
                                                                                                                                                                             (SGD) John J. Dempsey
   the top unit allowable of the proration unit upon which such discovery well is
                                                                                                                                                                                     Chairman
   located, and for an amount of oil in accordance with depth measured to the top of
    the producing formation as follows:
                                                                                                                                                                              (SGD) H. R. Rodgers
        Up to 1000: -- 5000 bbls.

1000 - 1500' 7500 "

1500 - 2000 10000 "

2000 - 2500 12500 "
                                                           2500 - 3000 - 15000 bbls.

3000 - 3500 17500 "

3500 - 4000 20000 "
                                                                                                                                                                             (SGD) John M. Rolly
                                                                                                                            (SEAL)
                                                                                                                                                                                     Secretary
                               and 5 bbls per ft. of aepth below 4000'
                                                                                                                             BEFORE THE OIL CONSERVATION COMMISSION
                                 OF THE STATE OF NEW MEXICO
 IN THE MATTER OF THE HEARING CALLED BY THE OIL
                                                                                                                                  3. That such bonus discovery allowable shall be produced at a daily rate
  CONSERVATION COMMISSION OF THE STATE OF NEW
                                                                                                                            not greater than the figure obtained by dividing the total bomus discovery
  MEXICO FOR THE PURPOSE OF CONSIDERING:
                                                                 CASE NO. 55
ORDER NO. 573
                                                                                                                            allowable by the number of days in the current year.
 THE APPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORIZING A BONUS ALLOWABLE TO BE GRANTED TO ANY
                                                                                                                                 4. That such bonus discovery allowable shall be produced within a two year
                                                                                                                            period. Said period shall begin to run with the first sale of oil from said
  OPERATOR WHO MAKES A DISCOVERY OF A NEW CIL POOL
 OR A NEW PRODUCING HORIZON IN AN EXISTING OIL FIELD
                                                                                                                            discovery well.
 OR AN EXTENSION OF AN EXISTING OIL POOL BY DRILLING
                                                                                                                           5. A. That application for the bonus discovery allowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in quadruplicate by the following:
  TWO MILES OR MORE FROM ANY COMMERCIALLY PRODUCTIVE
 OIL WELL.
                                     ORDER OF THE COMMISSION
                                                                                                                                      (1) Necessary production and geological data
 TO THE COMMISSION:
                                                                                                                                              of such discovery well.
This cause came on for hearing at ten o'clock A.M. August 4, 1344, at Santa Fe. New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".
                                                                                                                                      (11) Plat of area for three miles around such
                                                                                                                                              discovery well.
       Now, on this 6th day of September, 1944, the Commission having before it for
                                                                                                                                     (111) And in addition thereto where the discovery
                                                                                                                                            is in a new producing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.
  consideration the testimony adduced at the hearing of said case and being fully
  advised in the premises, the Commission finds:
                                         <u>EINDINGS</u>
                                                                                                                            B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the appli-
       1. That the bonus discovery allowable provided for herein is reasonable and
in the public interest in that it tends to fester the discovery of new reserves
                                                                                                                            cant, and one to the Lea County Proration Office.
  to replanish diminished reserves of State and Nation.
                                                                                                                                 6. That the Order herein shall be applicable to any such discovery made
 IT IS THEREFORE ORDERED:
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That the Order herein shall be known as the:

the producing formation as follows:

Up to 1000' -- 5000 bbls. 1000 - 1500' 7500 "

1**500 -** 2000 10000 "

2000 - 2500 12500 "

BONUS DISCOVERY ALLOWABLE ORDER

1. That a bonus discovery allowable shall be granted to any operator who makes a discovery of a new oil pool or a new producing horizon in an existing oil field or an extension of the discovered portion of a known oil pool where such

2. That such bonus discovery allowable shall be for one well, over and above

and 5 bbls per ft. of depth below 4000

2300 - 3000' -- 15000 bbls.

3000 - 3500 17500 *

3500 = 4000 20000 ¹

the top unit allowable of the proration unit upon which such discovery well is located, and for an amount of oil in accordance with depth measured to the top of

discovery is two miles or more from any commercially productive oil well.

7. That the Order herein supersodes any order with which it is in conflict.

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

OIL CONSERVATION COMMISSION

(SGD) John J. Dempsoy

(SGD) H. R. Rodgers

Member

(SGD) John M. Relly

Secretary

Chairman

since June 1, 1944.