

Case No.

791

Application, Transcript,
Small Exhibits, Etc.

**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. 791
Order No. R-552**

**THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER REVISING RULE 502, PARAGRAPH II,
MONTHLY TOLERANCE; RULE 503, PARAGRAPH
(a) - RELATING TO DATE OF COMMISSION HEAR-
INGS; AND RULE 505, PARAGRAPH (g) - OIL
PROBATION; ALL OF WHICH ARE INCLUDED IN
SECTION "G" - OIL PROBATION AND ALLOCATION
OF THE COMMISSION'S RULES AND REGULATIONS,
AND FURTHER FOR REVISION OF RULE 1114, RELATING
TO OPERATOR'S MONTHLY REPORT (FORM C-115),
AND FOR ADOPTION OF A NEW RULE TO BE DESIGNATED
AS RULE 1126, NOMINATION REQUEST, AND FOR
ADOPTION FOR A NEW FORM C-127 AS NOMINATION
FORM, THE LATTER TWO RULES RELATING TO
SECTION "M" - REPORTS, OF THE COMMISSION'S
RULES AND REGULATIONS.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 22nd day of November, 1954, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the subject matter thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That there is need for revision of the following Rules and Regulations of the Commission:

- (a) Rule 502, Paragraph II - Relating to Monthly Tolerance.
- (b) Rule 503, Paragraph (a) - Relating to the date of Commission hearings.

- (c) Rule 505, Paragraph (g) - Oil Proration - Relating to the use of Form C-127 in place of Form C-115 in nominating wells.

(3) That there is need for a revision of Rule 1114 relating to the filing of Form C-115 - Operator's Monthly Report.

(4) That there is need for adoption of Rule 1126, Nomination Request and for adoption of a new Form C-127, for use as a nomination form.

IT IS THEREFORE ORDERED:

(1) That Rule 502, II, be, and the same is hereby amended to read as follows:

II. MONTHLY TOLERANCE:

No unit shall produce during any one proration period more than the allowable production of such unit for the proration period plus a tolerance of not to exceed 5 days allowable production. This permissive tolerance of overproduction from a unit shall be subject to all other provisions of Rule 502 and particularly to the provisions of Paragraph IV. This permissive tolerance of overproduction from a unit shall be adjusted or balanced by subsequent corresponding underproduction from the same unit. Overproduction within the permitted tolerance shall be considered as oil produced against the allowable production assigned to the unit for the proration period during which such overproduction is adjusted or balanced by underproduction.

(2) That Rule 503, (a) be, and the same hereby is amended to read as follows:

- (a) The Commission shall meet between the 13th and 20th of each month at open hearing for the purpose of determining the amount of oil to be produced from all oil pools for the following calendar month.

(3) That Rule 505 (g) be, and the same is hereby amended to read as follows:

- (a) As to unit allowables hereinabove determined shall be assigned to the respective pools in accordance with each pool's depth range. Allowables to marginal wells, other than those affected by gas-oil ratios, will be assigned on the basis of nominations submitted by the operator on Form C-127. Such nominations must be based upon the

ability of the well to produce without waste; otherwise the allowable will be assigned on the basis of the latest available production figures. The sum of the allocation to all marginal units plus the sum of the allocation to all non-marginal units in each pool shall constitute the allocation for each pool.

(4) That Rule 1114, be and the same is hereby amended to read as follows:

RULE 1114 - OPERATOR'S MONTHLY REPORT - FORM C-115.

Operator's Monthly Report, Form C-115, shall be filed on each producing lease within the State of New Mexico for each calendar month setting forth complete information and data indicated on said form. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

The reports on this form shall be filed by the producer as follows: the original to the Oil Conservation Commission, Box 671, Santa Fe; one copy to the proration office at Box 2045, Hobbs; one copy to the district office in which district the lease is located; and one copy to each transporter involved.

Each report for each month shall be postmarked not later than the 24th day of the next succeeding month. Repeated failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-115 for the affected well or wells.

(5) That Rules 1126: Nomination Form C-127 be and the same hereby is adopted.

RULE 1126 - NOMINATION FORM C-127

One copy of Form C-127 shall be filed with the Oil Conservation Commission, Box 2045, Hobbs, New Mexico, not later than the 15th of the month preceding the month for which allowable changes are requested.

This form shall include only the wells for which allowable changes are desired.

(6) That Form C-127 - Nomination Form (a copy of which is attached hereto and made a part hereof) be and the same hereby is adopted.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary



December 1, 1954

MEMORANDUM:

TO: All Operators

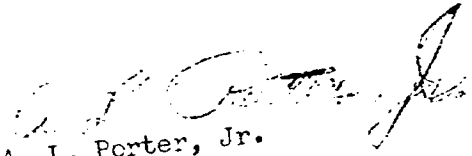
SUBJECT: Changes in Nomination Procedure for Oil Wells.

Commission Order R-552 provides that form C-127 shall be used for requesting changes in allowables for oil wells at the beginning of a proration period. It will only be necessary to file one copy of this form and that copy must be mailed to the Oil Conservation Commission, Box 2045, Hobbs, New Mexico by the 15th of the month preceeding the month for which the changes are desired. Please include on the form only those wells for which changes are desired. Form C-127 is not to be used to request allowable changes during a proration period.

This order also extends the deadline date for filing form C-115 to the 24th of the month and provides that repeated failure of the operator to file this form in accordance with the provisions of the order may result in the cancellation of form C-110 for the affected well or wells.

It will no longer be necessary to fill in the Nomination Column of form C-115.

Please direct your requests for form C-127 to the Oil Conservation Commission, Box 2045, Hobbs, New Mexico.


A. L. Porter, Jr.
Proration Manager

ALP/jh

File

JACK M. CAMPBELL
ATTORNEY AT LAW
224 J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

PHONE 4975

Nov. 6, 1954

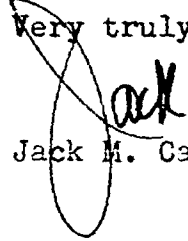
Mr. Wm. B. Macey
Oil Conservation Commission of N. M.
Santa Fe, New Mexico

Dear Bill:

I have received the November docket of the Commission and have noted that you are sending out recommendations in Case No. 791. If you have a copy left I would certainly appreciate receiving the same in order that I may study it before the hearing.

Thanking you for your assistance, and with kindest personal regards, I am

Very truly yours,


Jack M. Campbell

JMC:le

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
November 17, 1954

IN THE MATTER OF:

CASE NO. 791 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 17, 1954

IN THE MATTER OF:

The application of the Oil Conservation Commission upon its own motion for an order revising certain Rules and Regulations.

Applicant, in the above-styled cause, seeks an order revising the following Rules and Regulations of the Commission:

Rule 502, Paragraph II - Monthly Tolerance
Rule 503, Paragraph (a) - Relating to date of Commission hearings;
Rule 505, Paragraph (g) - Oil Proration

all of which are included in SECTION 'G' - OIL PRORATION AND ALLOCATION, of the Rules and Regulations; and further, for the revision of Rule 1114, relating to Operator's Monthly Report (Form C-115), and for adoption of a new rule to be designated as Rule 1126, Nomination Request, and for adoption of a new Form C-127 as nomination form, the latter two rules relating to SECTION 'M' - REPORTS. rules relating to

Case No. 791

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: In regard to Case 791, I believe that everyone has received a copy of the proposed Rules Revisions which the Commission staff has recommended, and also I am not too sure as to whether or not you have received a copy of the proposed Form C-127. If you don't have a copy they are back on the desk at the entrance to the room. I would like to point out that these proposals are in the main part proposals of Mr. Porter. If necessary we can

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

pin him down and find out a little more about it, if you would like.

(Marked Commission's Exhibits Nos.
1 and 2, for identification)

MR. YOST: If the Commission please, I would like to offer Mr. Foster's proposed Rule Revision in evidence as Commission Exhibit No. 1. Also, proposed Form No. C-127 as Commission Exhibit 2.

MR. MACEY: Is there objection to the introduction of these Exhibits? If not they will be received in evidence. Does anyone have a comment in the case?

MR. SELINGER: May I inquire from Mr. Yost, if the proposed Rule Revision includes only 502, Roman numeral II? There are additional Roman numerals which are part of 502 which remain in effect.

MR. YOST: That is true, that is my understanding.

MR. KELLAHIN: Jason Kellahin, representing Continental Oil Company. We have no quarrel whatever, of course, with the proposed changes in Rule 502, but Continental Oil Company is a little bit concerned as to the wording of the proposed change, which could be possibly interpreted as meaning that over-production could be cumulative from month to month. In other words, five days over-production during each proration period. While the provisions of Rule 502, Roman numeral IV would seem to prohibit this, there is a possibility in our mind that a conflict between the two rules, in which event I believe the Rule of Construction usually applied by the Courts is to the effect that a rule adopted at a later date, which is inconsistent with a prior rule, will be held to govern.

We also feel that in order to properly police matters of over-production, there should be some changes in the present Form C-115, and those remarks I would like to, at this time, read into the

record, the proposed change which is submitted by Continental Oil Company covering 502, Roman numeral II, which is as follows:

"No unit shall produce during any one proration period more than the allowable production of such a unit for the production period, plus a tolerance of, not to exceed, five days allowable production. Over production within the permitted tolerance shall be considered oil produced against the allowable assigned to the unit for the next succeeding proration unit.

Said over-production shall be carried as over-production on the Form C-115 for the month during which said over-production occurred, and, also carried as 'over-production carried over' on the Form C-115 for the succeeding proration period. The full amount of said over-production shall be deducted from the full amount deducted schedule allowable and the difference, after such deduction, shall be shown as net allowable to said unit. No unit shall, at the end of any proration period, be over produced in excess of the five days allowable tolerance fixed in any proposed change in this language. That is the basic reason for our submitting a change in the present C-115 form to show on the face of it the over-production during the month in which it occurred and such time as it is made up. In that manner, the over-production on any one unit would be a matter of public record and it would be far easier for the Commission to police the question of over-production and also any interested operator would more readily be able

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TELEPHONE 3-6691

to determine what the situation was on any particular unit.

MR. MACEY: Mr. Walker?

MR. WALKER: Don Walker for Gulf. We would like to commend Mr. Porter on the proposals as set out here. I would like to make one suggestion that if we adopt the 13th to 20th as our hearing authorized date that possibly we need to have a deadline for applications for the following month, so that the dockets could get out in sufficient time for us to have a chance to study them.

MR. MACEY: I concur. Anyone else? Mr. Smith?

MR. SMITH: Mr. Smith for Stanolind Oil and Gas Company. We have no objection to the proposed changes, but I would like to advise the Commission that our company has under consideration the possibility of working out some means whereby these reports may be put on International Business Machine tabulating equipment. We are not prepared at this time to make any suggestion. We haven't completed our study or analysis.

We would like to call the Commission's attention to the fact that at some future date we would like to come out and see if it would be possible to eliminate one or two items, or arrange in such a way that it would be satisfactory to the Commission so we could get away from manual preparation of some of the forms.

MR. SHAFFER: Mr. Charles Shaffer, representing Humble Oil and Refining Company. We concur in the provisions proposed by Mr. Porter, Rule 502, 503 and 505. We also concur in the revision of the proposed Rule 1114, except that portion which imposes a penalty of allowable reduction of one day for each day the report is late. It appears to us that the penalty provision may be questionable for several reasons. The first reason being that

the proposed rule may be beyond the power of the Commission, because we see that the Commission's powers are limited to prevention of waste and protection of correlative rights.

We also feel that this penalty might be a little severe, and further evil that it is supposed to remedy. In lieu of the rule proposed, it is our suggestion that the Commission consider a rule which would permit the Commission to sever pipeline connections of an operator who had not filed his report by the 24th of the month.

MR. MACEY: Anyone else?

MR. KELLY: John M. Kelly. I also agree with the statements of the previous companies in commending Mr. Porter in his changes. I would also like to make a comment on Rule 1114 along the lines that the Humble made, and would like to suggest that little change to the Commission.

As the rule is now being presented it states: "Each report for each month shall be filed in time to reach the Commission's Office not later than the 24th of the next succeeding month". I would like to suggest that be changed to read: "Each report for each month shall be filed or postmarked not later than the 24th of the next succeeding month".

As it now stands, our final figures from the purchasing companies sometimes do not reach us operators in New Mexico until after the 20th day of the month. I feel that if we should be called upon to have those figures in the Commission Office by the 24th, it might be a physical impossibility. I feel that we can put them in the U. S. Mail and have them postmarked by at least the 24th.

The other suggestion I have does follow along the lines

of Humble. I would like to change that last sentence, I agree with Humble's interpretation, I believe it is beyond the powers of the Commission to place such a penalty at this time. I would like to suggest that that section read: "Repeated failure of the operator to file Form C-115 in time shall result in the discretion of the Director of the Commission in the removal of the affected well, or wells, from the proration schedule until such time as the regulations are complied with."

I feel this gives a little latitude to the Director and does not make a hard and fast rule as it is now set out. I also want to state, I am probably one of the operators that don't get my reports in on time. It is more of a physical impossibility, it was a complete physical impossibility to meet the 18th deadline, because final figures do not reach us operators in New Mexico until the 20th of the month in most cases.

MR. MACEY: Anyone else?

MR. SELINGER: George Selinger, representing Skelly Oil Company. We concur in the recommendations of Mr. Porter in revising certain rules in 502, 503 and 505, 1114 and 1126. In order to overcome the objections raised by Continental, through Mr. Kellahin, I would suggest that the proposed Rule 502 be written in its entirety so that both roman numeral II and both roman numeral IV will appear at the same time so there wouldn't be any question of the construction that they must be both construed together.

We are also inclined to agree with Humble that the reduction of a day's allowable is rather severe, and experience in other States have indicated that if you will provide in your rule a severance of pipeline, in which the Commission notifies the producer of

the failure of his filing, you will generally find that the producer gets his report in rather quickly. All other States have a provision for enforcement, that is a severance of pipeline. We would suggest that a similar rule be made a part of Rule 1114.

MR. MACEY: Anyone else? Mr. Porter?

MR. PORTER: I just want to say that I have no objection to either the proposal by the Humble or Mr. Kelly. The idea I had in mind was just an axe to hold over the operator's head to get the reports in, with my recommendation for the institution of Form C-127. Of course, the C-115 no longer is for making up the proration schedule. We wouldn't be dependent on C-115 for the making of the proration schedule. Therefore, we would need something to encourage the operator to file the C-115 on or about the filing deadline.

I have no objection to the proposal of using the words "post-marked" by that particular date. We realize sometimes the difficulty that the operator may get into on account of the delay in mailing.

I do feel that if these rules are adopted pretty generally as they are recommended here, it will alleviate some of the pressure that is on my staff in the Hobbs Office, in the matter of making the proration schedule. We receive under our present system, I would say, 80 percent of the Form C-115 between the dates of the 14th and the 18th. We should begin our computations of the allowables by the 20th in order to get the proration schedule published and distributed by the first of the next month. It just doesn't give us enough time.

That proposal would require that Form C-127 be filed by the 15th of the month. That form would include only the wells for which allowables changes are requested. It would be much easier to

than handle, handling it in the manner in which we are now, on Form C-115. Another reason for recommending it is that ever since the nomination column has been included in C-115, we have had a difficult time in educating the personnel of the operators in the use of that column. That is all the way through, a dual purpose form.

Your C-115 reports the production for one month and requests allowable assignments for another. We are often, the operator uses that nomination column to just record his current allowable rather than using it as an allowable request column. I think by the adoption of Form C-127 we will eliminate a very bad situation in that respect.

The matter of moving up our hearing dates from the 15th to 20th to the 13th and 20th, we will post the allowable, ordinarily, about two days earlier in the month. It is generally known that a number of the people here, especially those representing the crude oil purchasers, also attend the allowable hearings in Texas. That would give us time to coordinate our hearing dates with theirs.


MR. HOWARD: Dan Howard with Warren Petroleum Corporation. We would like to concur in the recommendations of Mr. Porter and the Conservation Commission's staff with due consideration given the remarks made from other members of the industry from the floor, and I think it would be, if possible, a very good idea to put this explanation of that five days tolerance, either in the rule or in an attached memo to the rule when it is changed. I think it has been our source of confusion, not only in this State, but in other States.

MR. MACEY: Anyone else? If not we will take the case under advisement and adjourn until 1:15

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

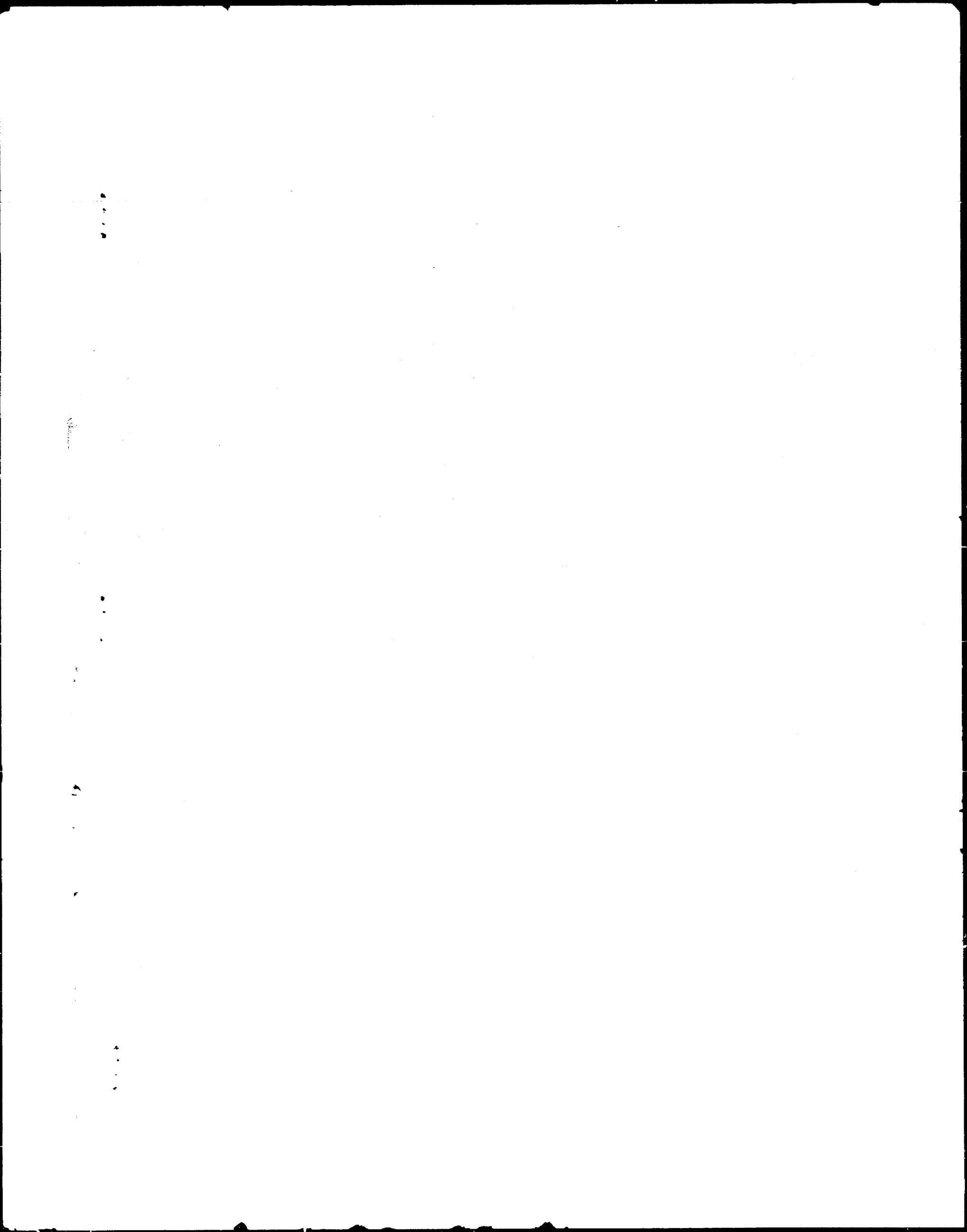
I, ADA DEARNLEY, Court reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 26th day of November, 1954.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691



Case No. 791

*Continental Oil Company's Petition for Enforcement of Rule
No. 502, Paragraph II.*

Rule 502 II

No unit shall produce during any one proration period more than the allowable production of such unit for the proration period plus a tolerance of not to exceed 5 days allowable production.

Overproduction within the permitted tolerance shall be considered oil produced against the allowable assigned to the unit for the next succeeding proration period. Said overproduction shall be carried as overproduction on the Form C-115 for the month during which said overproduction occurred and also carried as "overproduction carried over" on the Form C-115 for the succeeding proration period. The full amount of said "overproduction carried over" shall be deducted from the schedule allowable and the difference after such deduction shall be shown as net allowable to said unit. No unit shall at the end of any proration period be overproduced in excess of the five days allowable tolerance allowed herein.

"Case 791"
Exhibit 1

PROPOSED RULE REVISIONS IN CASE 791

The following memorandum reflects informally the changes in rules recommended by the Oil Conservation Commission staff in Case 791, as advertised for the November 17, 1954, regular hearing.

502 II

No unit shall produce during any one proration period more than the allowable production of such unit for the proration period plus a tolerance of not to exceed 5 days allowable production. This permissive tolerance of overproduction from a unit shall be adjusted or balanced by subsequent corresponding underproduction from the same unit. Overproduction within the permitted tolerance shall be considered as oil produced against the allowable production assigned to the unit for the proration period during which such overproduction is adjusted or balanced by underproduction.

(The present rule requires that any overproduction must be adjusted during the month following the month in which it occurs. The proposed revision retains the limit of 5 days tolerance but does not prescribe a specific time for adjustment. It provides in effect a running cushion of 5 days tolerance which is more in keeping with practical operating practices.)

503 (a)

The Commission shall meet between the 13th and 20th of each month at open hearing for the purpose of determining the amount of oil to be produced from all oil pools for the following calendar month.

(This would merely change the monthly dates of hearings from the 15th to 20th, to the 13th to 20th, thus allowing for hearing to be held earlier in the month. This would facilitate the publication of the proration schedule, by making known the normal unit allowable at an earlier date. It would also allow more time between the New Mexico and Texas hearings for those who would attend both hearings.)

505 (g)

The top unit allowables hereinabove determined shall be assigned to the respective pools in accordance with each pool's depth range. Allowables to marginal wells, other than those affected by gas-oil ratios, will be assigned on the basis of nominations submitted by the operator on form C-127. Such nominations must be based upon the ability of the well to produce without waste; otherwise the allowable will be assigned on the basis of the latest available production figures. The sum of the allocation to all marginal units plus the sum of the allocation to all non-marginal units in each pool shall constitute the allocation for each pool.

(No changes except to substitute form C-127 for form C-115 for use in making nominations.)

1114

Operator's monthly report, Form C-115, shall be filed on each producing lease within the State of New Mexico for each calendar month setting forth complete information and data indicated on said form. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests. Each report for each month shall be filed in time to reach the Commission offices not later than the 24th of the next succeeding month. [Failure of the operator to file form C-115 in time to reach the Commission by the 24th of the month shall result in the reduction of the next month's allowable for the affected well or wells by one day for each day the C-115 is late.]

It will not be necessary to fill in the daily well nomination column of form C-115, since this information is reported on form C-127.

(This proposed revision extends the deadline date for filing form C-115 from the 18th to the 24th of the month, and a penalty of an allowable reduction of one day for each day the report is late is provided. This proposal would also allow oil production of units producing into common storage to be estimated.)

1126

Request for allowable changes, Form C-127.

(One copy of Form C-127 shall be filed with the Oil Conservation Commission, Box 2045, Hobbs, New Mexico, not later than the 15th of the month preceding the month for which allowable changes are requested.)

This form shall include only the wells for which allowable changes are desired.

It is further requested that all other wells operated by this producer be assigned the allowables that they are currently receiving, with the exception that top allowable wells and wells affected by excessive gas-oil ratios be given the benefit of any increase in normal unit allowable.

Single space

PROPOSED RULE REVISIONS IN CASE 791

Recommended by the Commission Staff

The following memorandum reflects informally the changes in rules ~~containing~~ ~~placed by the New Mexico Oil Conservation Commission~~ in Case 791, as advertised for the November 17, 1954, regular hearing.

502 II

No unit shall produce during any one proration period more than the allowable production of such unit for the proration period plus a tolerance of not to exceed 5 days allowable production. This permissive tolerance of overproduction from a unit shall be adjusted or balanced by subsequent corresponding underproduction from the same unit. Overproduction within the permitted tolerance shall be considered as oil produced against the allowable production assigned to the unit for the proration period during which such overproduction is adjusted or balanced by underproduction.

(The present rule requires that any overproduction must be adjusted during the month following the month in which it occurs. The proposed revision retains the limit of 5 days tolerance but does not prescribe a specific time for adjustment. It provides in effect a running cushion of 5 days tolerance which is more in keeping with practical operating practices.)

503 (a)

The Commission shall meet between the 13th and 20th of each month at open hearing for the purpose of determining the amount of oil to be produced from all oil pools for the following calendar month.

(This would merely change the monthly dates of hearings from the 15th to 20th, to the 13th to 20th, thus allowing for hearing to be held earlier in the month. This would facilitate the publication of the proration schedule, by making known the normal unit allowable at an earlier date. It would also allow more time between the New Mexico and Texas hearings for those who would attend both hearings.)

505 (g)

The top unit allowables hereinabove determined shall be assigned to the respective pools in accordance with each pool's depth range. Allowables to marginal wells, other than those affected by gas-oil ratios, will be assigned on the basis of nominations submitted by the operator on form C-127. Such

nominations must be based upon the ability of the well to produce without waste; otherwise the allowable will be assigned on the basis of the latest available production figures. The sum of the allocation to all marginal units plus the sum of the allocation to all non-marginal units in each pool shall constitute the allocation for each pool.

(No changes except to substitute form C-127 for form C-115 for use in making ~~nominations~~ nominations.)

1114

Operator's monthly report, ~~Form~~^F C-115, shall be filed on each producing lease within the State of New Mexico for each calendar month setting forth complete information and data indicated on said form. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests. Each report for each month shall be filed in time to reach the Commission offices not later than the 24th of the next succeeding month. Failure of the operator to file form C-115 in time to reach the Commission by the 24th of the month shall result in the reduction of the next month's allowable for the affected well or wells by one day for each day the C-115 is late.

It will not be necessary to fill in the daily well nomination column of form C-115, since this information is reported on form C-127.

(This proposed revision extends the deadline date for filing form C-115 from the 18th to the 24th of the month, and a penalty of an allowable reduction of one day for each day the report is late is provided. This proposal would also allow oil production of units producing into common storage to be estimated.)

1126

Request for allowable changes, ~~Form~~^F C-127.

(One copy of ~~Form~~^F C-127 shall be filed with the Oil Conservation Commission, Box 2045, Hobbs, New Mexico, not later than the 15th of the month preceding the month for which allowable changes are requested.)

This form shall include only the wells for which allowable changes are desired.

