

CASE 1390: Case called by OCC to permit  
operators in South Blanco-Tocito Oil Pool to  
operate in Rule 90 of Commission Rules &  
Regulations.

Case No.

1390

Application, Transcript,  
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 31, 1958

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Y

Mr. Jason Kellahin  
Kellahin & Fox  
P.O. Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Caulkins Oil Company, we enclose two copies of Order R-1144 issued March 25, 1958, by the Oil Conservation Commission in Case 1390, which was heard on March 13th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1390  
Order No. R-1144

APPLICATION OF THE OIL CONSERVATION  
COMMISSION UPON ITS OWN MOTION TO  
PERMIT THE OPERATORS IN THE SOUTH  
BLANCO-TOCITO OIL POOL TO APPEAR AND  
SHOW CAUSE WHY THE PROVISIONS OF RULE  
506 OF THE COMMISSION RULES AND  
REGULATIONS SHOULD NOT BE IMPOSED IN  
THE SOUTH BLANCO-TOCITO OIL POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
March 13, 1958, at Santa Fe, New Mexico, before the Oil Conserva-  
tion Commission of New Mexico, hereinafter referred to as the  
"Commission."

NOW, on this 25<sup>th</sup> day of March, 1958, the Commission,  
a quorum being present, having considered the application and the  
evidence adduced and being fully advised in the premises,

FINDS:

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

(2) That a gas-oil ratio limit at the rate of 2,000  
cubic feet of gas for each barrel of oil produced was established  
for the South Blanco-Tocito Oil Pool by Order No. R-326 dated May  
26, 1953.

(3) That the above-mentioned gas-oil ratio limitation  
imposed by Rule 506 of the Commission Rules and Regulations was  
suspended in the South Blanco-Tocito Oil Pool until March 31, 1958,  
by Order No. R-1104 dated December 24, 1957.

(4) That Order No. R-1104 dated December 24, 1957  
further provided that a case be called for hearing on March 13,  
1958, at which time the operators in the South Blanco-Tocito Oil  
Pool be permitted to appear and show cause why the provisions of  
Rule 506 should not be imposed in said pool.

(5) That the case was called for hearing on March 13,  
1958, and that the operators in said pool entered appearances and  
made no objection to the imposition of the requirements of Rule 506  
of the Commission Rules and Regulations in the South Blanco-Tocito  
Oil Pool.

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Case No. 1390  
Order No. R-1144

(6) That the requirements of Rule 506 of the Commission Rules and Regulations should be imposed in the South Blanco-Tecito Oil Pool.

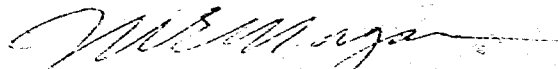
IT IS THEREFORE ORDERED:

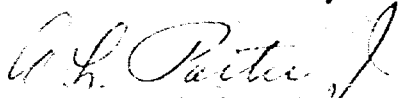
That the provisions of Rule 506 of the Commission Rules and Regulations be imposed in the South Blanco-Tecito Oil Pool effective April 1, 1958.

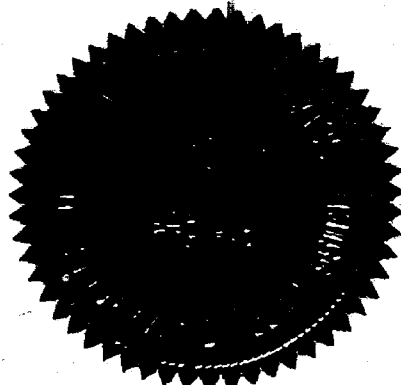
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHAM, Chairman

  
MURRAY E. MORGAN, Member

  
A. L. PORTER, Jr., Member & Secretary



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DOCKET: REGULAR HEARING MARCH 13, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for April, 1958.
- (2) Consideration of the allowable production of gas for April, 1958, for six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from six prorated pools in San Juan and Rio Arriba Counties, New Mexico, for March, 1958.

NEW CASES

CASE 1308: (Rehearing)

In the matter of the rehearing requested by Shell Oil Company for reconsideration by the Commission of certain portions of Case 1308 - application of Sunray Mid-Continent Oil Company for the temporary establishment of a uniform 80-acre well spacing and Special Rules and Regulations in the Bisti-Lower Gallup Oil Pool.

CASE 1390:

In the matter of the case called by the Oil Conservation Commission upon its own motion to permit the operators in the South Blanco-Tocito Oil Pool to appear and show cause why the provisions of Rule 506 of the Commission Rules and Regulations should not be imposed in the South Blanco-Tocito Oil Pool.

CASE 1391:

Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the extension of existing pools in Lea and Eddy Counties, New Mexico.

- (a) Create a new gas pool for Pennsylvanian production, designated as the Crawford-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 26: SE/4

- (b) Create a new gas pool for Pennsylvanian production, designated as the Harkey-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM  
Section 32: NW/4

- (c) Create a new oil pool for Fusselman production, designated as the Justis-Fusselman Pool, and described as:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 24: NW/4

*Dockets Mailed  
to Cautkins Oil Co.  
1 Texas National Petr.  
3-28-58  
B P*

- (d) Create a new oil pool for Glorieta production, designated as the South Paddock Pool, and described as:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 32: SE/4

- (e) Create a new oil pool for San Andres production, designated as the South Sawyer-San Andres Pool, and described as:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM  
Section 33: Lots 3 & 4 and W/2 SW/4

- (f) Create a new oil pool for Devonian production, designated as the South Vacuum-Devonian Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 35: NE/4

- (g) Delete portions of the Atoka-Grayburg Pool, described as:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 7: SW/4

- (h) Extend the Red Lake Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 1: NE/4 SE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 7: SW/4

- (i) Delete a portion of the South Eunice Pool, described as:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 31: NE/4

- (j) Extend the Anderson Ranch-Devonian Pool, to include:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 2: Lots 1 & 2

- (k) Extend the Atoka Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 12: W/2 SE/4, SE/4 NW/4, & SW/4 NE/4

- (l) Extend the Eumont Gas Pool to include:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
Section 32: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 8: NW/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 20: SW/4

- (m) Extend the Jalmat Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
Section 14: SW/4

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM  
Section 20: NW/4 & W/2 NE/4

- (n) Extend the Justis-Ellenburger Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 24: SE/4

- (o) Extend the Maljamar Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 28: E/2

- (p) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 21: SE/4 SE/4  
Section 22: S/2 SW/4

- (q) Extend the Penrose-Skelly Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 31: SW/4

- (r) Extend the Townsend-Wolfcamp Pool to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
Section 6: Lots 9, 10, 11, 14, 15, & 16

- (s) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 33: E/2 NE/4

- (t) Delete a portion of the Arrowhead Pool described as:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 36: NE/4 NE/4

CASE 1392: Northwestern New Mexico nomenclature case calling for an order for the creation of a new pool and the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Create a new gas pool for Fruitland production, designated as the Kutz-Fruitland Pool, and described as:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
All of Sections 23, 26 & 27



- (b) Extend the Kutz-Farmington Pool to include:  
TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
Section 22: SW/4
- (c) Extend the Aztec-Fruitland Pool to include:  
TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM  
Section 25: NW/4
- (d) Extend the Aztec-Pictured Cliffs Pool to include:  
TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM  
Section 35: W/2
- (e) Extend the South Blanco-Pictured Cliffs Pool to include:  
TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM  
All of Sections 30, 32 & 33  
Section 34: W/2
- (f) Extend the Gavilan-Pictured Cliffs Pool to include:  
TOWNSHIP 25 NORTH, RANGE 1 WEST, NMPM  
Section 30: S/2
- (g) Extend the Tapacito-Pictured Cliffs Pool to include:  
TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM  
Section 1: E/2
- (h) Extend the Blanco Mesaverde Pool to include:  
TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM  
Section 30: All
- (i) Extend the Bisti-Lower Gallup Oil Pool to include:  
TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM  
Section 28: S/2  
TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM  
Section 15: SW/4  
Section 24: N/2  
TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM  
Section 21: NE/4  
TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM  
Section 32: SW/4  
TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM  
Section 20: N/2

(j) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM  
Section 3: E/2 SW/4

(k) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM  
Section 5: NE/4

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM  
Section 17: NW/4

CONTINUED CASES

CASE 1053: Application of the Oil Conservation Commission upon its own motion, at the request of the State Engineer, for an order prescribing rules and regulations to govern the disposal of salt water in areas of Lea County, New Mexico. The Commission desires to formulate rules and procedures which will result in the efficient disposal of salt water and which will eliminate the practice of surface disposal of large volumes of oil field brines in order to prevent the contamination of the fresh-water bearing horizons in Lea County, New Mexico.

CASE 1377: In the matter of the hearing called by the Oil Conservation Commission of New Mexico on its own motion to consider the establishment of minimum allowables for gas wells in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico.

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1353  
Order No. R-1104

IN THE MATTER OF THE HEARING UPON THE  
MOTION OF THE OIL CONSERVATION COMMISSION  
TO PERMIT ALL OPERATORS IN SAN JUAN, RIO  
ARRIBA, SANDOVAL AND MCKINLEY COUNTIES,  
NEW MEXICO, TO APPEAR AND SHOW CAUSE WHY  
ANY WELL OR WELLS IN THAT AREA SHOULD BE  
GRANTED AN EXCEPTION TO OIL PRORATIONING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 18, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of December, 1957, the Commission, a quorum being present, having considered the evidence adduced and being fully advised in the premises,

FINDS:

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

LPG TEST PROJECT, BISTI-LOWER GALLUP OIL POOL

(2) That Sunray Mid-Continent Oil Company made an appearance in this case on behalf of itself, British-American Oil Company, and Phillips Petroleum Company.

(3) That Sunray Mid-Continent Oil Company was authorized by Order No. R-1027, issued August 17, 1957, to institute a pilot liquefied petroleum gas and dry gas injection program in the Bisti-Lower Gallup Oil Pool.

(4) That the following producing oil wells are within the pilot area, to-wit:

British-American Oil Company Marye No. 1 Well, located  
in the NE/4 NE/4 Section 1, Township 25 North, Range 13  
West;

Sunray Mid-Continent Oil Company Federal C No. 1 Well,  
located in the NW/4 NW/4 Section 6, Township 25 North,  
Range 12 West;

Sunray Mid-Continent Oil Company Federal C No. 2 Well,  
located in the SW/4 SW/4 Section 31, Township 26 North,  
Range 12 West;

Phillips Petroleum Company Hospah No. 1-A Well, located  
in the SE/4 SE/4 Section 36, Township 26 North, Range 13  
West,

all in San Juan County, New Mexico.

(5) That the applicant contends that the above-described wells should be granted an exception to oil prorationing on the grounds that the said pilot liquefied petroleum gas and dry gas injection project must be evaluated within the shortest time possible if the project is to be successfully expanded throughout the remainder of the Bisti-Lower Gallup Oil Pool.

(6) That if the aforementioned pilot liquefied petroleum gas and dry gas injection project is successfully expanded throughout the remainder of the Bisti-Lower Gallup Oil Pool, large quantities of oil will be produced which would not otherwise be recovered.

(7) That the above-described wells should be granted an exception to oil prorationing in the interest of conservation and the prevention of underground waste of crude petroleum oil; provided, however, that the total allowable for all of said wells should not exceed 600 barrels of oil per day.

(8) That the operators of the above-described wells should file Form C-127 for each of said wells every month, setting forth thereon the amount of oil which is to be produced from said wells during the next succeeding month.

PRESSURE MAINTENANCE PROJECT, SOUTH BLANCO-TOCITO OIL POOL

(9) That Lowry, et al., Operating Account made an appearance in this case.

(10) That Lowry, et al., Operating Account was authorized by Order R-349, dated July 27, 1953, to institute a pilot pressure maintenance program by means of water injection in the South Blanco-Tocito Oil Pool, in Rio Arriba County, New Mexico, and that the Commission authorized the extension of said pilot project by Order No. R-532, dated October 4, 1954, and Order No. R-664, dated July 14, 1955.

(11) That Lowry, et al., Operating Account has eleven oil wells which are presently producing oil from the South Blanco-Tocito Oil Pool and that Texas National Petroleum Company has three oil wells which are presently producing oil from the South Blanco-Tocito Oil Pool, to-wit:

Lowry, et al., Federal T Well T-109 located in Unit M  
Section 3, Township 26 North, Range 6 West;

Lowry, et al., Federal N Well T-123 located in Unit B  
Section 7, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-125 located in Unit D  
Section 8, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-127 located in Unit B,  
Section 8, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-129 located in Unit D,  
Section 9, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-132 located in Unit A  
Section 9, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-177 located in Unit L  
Section 9, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-179 located in Unit J  
Section 9, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-182 located in Unit K  
Section 10, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-185 located in Unit L  
Section 11, Township 26 North, Range 6 West;

Lowry, et al., Federal A Well T-207 located in Unit O  
Section 10, Township 26 North, Range 6 West;

Texas National Petroleum Company Rincon Unit Well No. 6,  
located in Unit P Section 6, Township 26 North, Range  
6 West;

Texas National Petroleum Company Rincon Unit Well No. 11,  
located in Unit N Section 6, Township 26 North, Range 6  
West;

Texas National Petroleum Company Rincon Unit Well No.  
20, located in Unit F Section 6, Township 26 North, Range  
6 West;

(12) That Lowry, et al., Operating Account proposes that all of  
the above-described Texas National Petroleum Company wells and the Lowry  
T-123 Well and Lowry T-125 Well be prorated under the regular monthly  
allowable orders for Northwestern New Mexico without any exception whatso-  
ever.

(13) That Lowry, et al., Operating Account further proposes that the nine remaining Lowry Wells be granted an exemption from prorationing.

(14) That Lowry, et al., Operating Account has failed to prove that the curtailment of production from the aforementioned pressure maintenance project would adversely affect the success of said project.

(15) That all wells in the South Blanco Tocito Oil Pool should be prorated on the basis of 80-acre spacing as provided in Order R-326 and that said wells should be granted an 80-acre proportional factor for the 6000 to 7000 foot range in which they are completed.

(16) That the imposition of the gas-oil ratio limitation as provided in Rule 506 of the Commission Rules and Regulations, in the South Blanco-Tocito Oil Pool would cause an undue hardship on the operators in said pool at the present time.

(17) That the gas-oil ratio limitation imposed by Rule 506 should be suspended in the South Blanco-Tocito Oil Pool until March 31, 1958, and that the operators in the said pool should appear at the Commission's Regular Hearing March 13, 1958, to present evidence as to the proper limiting gas-oil ratio for the South Blanco-Tocito Pool.

(18) That the water injection wells should also be assigned an allowable in the manner outlined above and that Lowry, et al., Operating Account should be authorized to transfer said allowable to any or all of the nine wells mentioned above.

#### HOSPAAH OIL POOL

(19) That Texas Calgary Company made an appearance in this case.

(20) That Texas Calgary Company is the owner and operator of all wells in the Hospah Oil Pool in McKinley County, New Mexico.

(21) That the present market demand for oil in Northwest New Mexico is such that many individual wells in the Hospah Oil Pool would be assigned an allowable of less than 10 barrels of oil per day if prorated in accordance with the standard proration formula for the area.

(22) That Texas Calgary Company contends that the Hospah Oil Pool should be exempt from oil prorationing on the grounds that said pool is in a "stripper" stage and that any curtailment of production will cause the ultimate loss of recoverable oil due to the fact that said pool has an active water drive producing mechanism which will cause the wells to be flooded out if they are shut in.

(23) That underground waste may occur if the individual well production in the Hospah Oil Pool is restricted below 10 barrels of oil per day.

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Case No. 1353

Order No. R-1104

(24) That a minimum per well allowable of 10 barrels of oil per day should be established for all wells in the Hospah Oil Pool.

IT IS THEREFORE ORDERED:

LPG TEST PROJECT, BISTI-LOWER GALLUP OIL POOL

1. That the following described wells be and the same are hereby granted an exception to oil prorationing, provided however, that the cumulative allowables for said wells shall not exceed 600 barrels of oil per day, to-wit:

British-American Oil Company Marye No. 1 Well, located in the NE/4 NE/4 Section 1, Township 25 North, Range 13 West;

Sunray Mid-Continent Oil Company Federal C No. 1 Well, located in the NW/4 NW/4 Section 6, Township 25 North, Range 12 West;

Sunray Mid-Continent Oil Company Federal C No. 2 Well, located in the SW/4 SW/4 Section 31, Township 26 North, Range 12 West;

Phillips Petroleum Company Hospah No. 1-A Well, located in the SE/4 SE/4 Section 36, Township 26 North, Range 13 West,

all in San Juan County, New Mexico.

PRESSURE MAINTENANCE PROJECT, SOUTH BLANCO TOCITO OIL POOL

2. That the application of Lowry, et al., Operating Account for exemption from prorationing for the nine wells hereinabove described be and the same is hereby denied.

a. That all wells in the South Blanco-Tocito Oil Pool be prorated on the basis of 80-acre spacing as provided in Order R-326, and that said wells be granted an 80-acre proportional factor for the 6000 to 7000 foot range.

That each well through which water is being injected into the South Blanco-Tocito Oil Pool be assigned an allowable in the manner outlined herein and that Lowry, et al., Operating Account be and the same is hereby authorized to transfer said allowable(s) to any or all of its wells in the South Blanco-Tocito Oil Pool.

b. That the Gas-Oil Ratio Limitation provided by Rule 506 of the Commission Rules and Regulations be and the same is hereby suspended in the South Blanco-Tocito Oil Pool until March 31, 1958. Further that a case be called for hearing on March 13, 1958, at which time the operators in the said pool may appear and show cause why the provisions of Rule 506 should not be imposed in the South Blanco-Tocito Oil Pool.

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Case No. 1353

Order No. R-1104

HOSPAAH OIL POOL

3. That all proration units in the Hospah Oil Pool be prorated in accordance with the standard proration formula for Northwestern New Mexico;

PROVIDED HOWEVER, That no well shall be assigned an allowable of less than 10 barrels of oil per day, except that wells with producing capacity of less than 10 barrels of oil per day shall be assigned an allowable equal to their respective producing capacities.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

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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. 537  
Order No. R-326

THE MATTER OF THE APPLICATION OF  
LOWRY ET AL OPERATING ACCOUNT FOR THE  
ESTABLISHMENT OF POOL RULES FOR THE  
SOUTH BLANCO-TOCITO POOL (FORMERLY  
PETTIGREW-TOCITO POOL), RIO ARRIBA  
COUNTY, NEW MEXICO; FIXING THE SPACING  
OF WELLS; FIXING GAS-OIL RATIOS; ESTABLISH-  
ING A CASING PROGRAM; AND RELATED MATTERS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 19, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 26th day of May, 1953, the Commission, a quorum being present, having considered the testimony adduced at said hearing and the exhibits received in this cause, and being fully advised in the premises,

FINDS:

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

(2) That the Pettigrew-Tocito Pool has been duly classified as an oil pool, embracing lands in Rio Arriba County, New Mexico, defined and described as follows:

Township 26 North, Range 6 West, NMPM  
SW/4 Section 3, SE/4 Section 4,  
Section 9, NW/4 and S/2 Section 10,  
NW/4 Section 15, N/2 Section 16

(3) That the Commission, by virtue of Order R-321, changed the name of the Pettigrew-Tocito Pool to South Blanco-Tocito Pool.

(4) That geological and engineering data presented at the hearing, and available to the Commission, indicate that one well completed to the Tocito sand will efficiently and economically drain and develop not less than 80 acres, and that

the drilling of more wells would result in economic loss and earlier reduction of reservoir pressures, without increasing the ultimate recovery of oil from the reservoir, and would constitute waste, and that correlative rights, including those of royalty owners, will be protected by a spacing program in accordance herewith.

(5) That, for the orderly development of the South Blanco-Tocito Pool, a uniform spacing pattern should be established by this Commission, on the basis of one well to each 80 acres in the pool.

(6) That, in order to maintain reservoir pressures and prevent waste of associated gas, or casinghead gas, a limiting gas-oil ratio should be established, and that a ratio of 2,000 cubic feet of gas per barrel of oil produced is a reasonable limitation.

(7) That, in order to protect the producing formation, and potable water-bearing strata encountered in the pool, a uniform casing program should be adopted.

(8) That the operator or operators of the South Blanco-Tocito Pool should present to the Commission semi-annual reports showing pool performance in relation to bottom-hole pressures and gas-oil ratios.

IT IS THEREFORE ORDERED:

(1) That this order shall be known as "The South Blanco-Tocito Pool Rules."

(a) The South Blanco-Tocito Pool Rules shall be applicable to and govern the future development and operation of the South Blanco-Tocito Pool as it now exists or may hereafter be extended by order of the Commission.

(2) That all wells hereafter drilled in the South Blanco-Tocito Pool or any extension thereof shall be located in the center of the northwest quarter or the southeast quarter of each governmental quarter section, with a tolerance of 100 feet in any direction to avoid surface obstructions, except that no well shall be located closer than 660 feet to any lease line without special order of the Commission after due notice and hearing.

(a) That no well shall be drilled or produced in said pool except in conformity with the spacing pattern set forth above without special order of the Commission after due notice and hearing.

(b) That the location of any wells heretofore drilled in the South Blanco-Tocito Pool which does not conform to the provisions of these rules shall be treated as unorthodox locations, which said unorthodox locations are hereby approved. This approval shall include Lowry et al Federal 4-13-132, NE/4 NE/4 Section 9; Federal 1-134, NE/4 NW/4 Section 10; Federal 19-34-157, SW/4 NW/4 Section 9; Federal 21-40-182, NE/4 SW/4 Section 10; Federal 22-45-207, SW/4 SE/4 Section 10;

Case No. 537  
Order No. R-326

and Federal 7-35-109, SW/4 SW/4 Section 3, all in Township 26 North, Range 6 West, NMPM.

(3) That a gas-oil ratio limit is hereby set for the South Blanco-Tocito Pool at the rate of 2000 cubic feet of gas for each barrel of oil produced.

(a) Nothing herein shall be construed as prohibiting the production of oil from wells within the pool whose gas-oil ratio exceeds 2000 cubic feet of gas for each barrel of oil produced, at a reduced rate which in the best judgment of the operator is consistent with good reservoir management, until such time as the production of oil in the South Blanco-Tocito Pool is allocated, at which time the provisions of Rule 506 of the Rules and Regulations of this Commission shall apply.

(4) The casing program of all wells hereafter drilled in the pool shall consist of at least two strings of pipe set in accordance with the following regulations:

(a) The surface casing shall consist of new or reconditioned pipe with an original mill test of not less than 1000 pounds per square inch, and at least one string of surface casing shall be set at a depth sufficient to protect all potable water-bearing strata encountered, and not less than 450 feet below the surface of the ground. Sufficient cement shall be used to fill the annular space back of the pipe to the bottom of the cellar. Cement shall be allowed to stand a minimum of 24 hours before initiating tests. Before drilling the plug a pump pressure of at least 600 pounds per square inch shall be applied. If at the end of 30 minutes the pressure shows a drop of 100 pounds per square inch, or more, the casing shall be condemned, subject to corrective operations and further testing.

(b) The producing oil string shall consist of new or reconditioned pipe with an original mill test of not less than 2100 pounds per square inch. The producing string shall be set and cemented with sufficient cement to fill the calculated annular space behind the pipe to a minimum of 1000 feet above the guide shoe. Cement shall be allowed to stand a minimum of 72 hours before initiating tests. Before drilling the plug a pump pressure of at least 600 pounds per square inch shall be applied. If at the end of 30 minutes the pressure shows a drop of 100 pounds per square inch, or more, the casing shall be condemned, subject to corrective operations and further testing.

(5) That upon the completion of any well in the South Blanco-Tocito Pool, the bottom-hole pressure of such well shall be taken, and a report thereof filed with the Commission.

(a) Semi-annual tests of bottom hole pressures of the pool and producing gas-oil ratios shall be made, said tests to be made during the months of April and October of each year. Such tests are to be made in the presence of a representative of the Commission and may be witnessed by the representative of any owner or operator of a producing well in the pool. Tests as designated herein

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 13, 1958

IN THE MATTER OF: Case No. 1390

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 13, 1958

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IN THE MATTER OF:

The case called by the Oil Conservation  
Commission upon its own motion to permit the  
operators in the South Blanco-Tocito Oil Pool  
to appear and show cause why the provisions of  
Rule 506 of the Commission Rules and Regulations  
should not be imposed in the South Blanco-Tocito  
Oil Pool. ) Case 1390

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BEFORE:

Mr. A. L. Porter, Jr.  
Mr. Murray Morgan  
Governor Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: At this time I am going to depart from my  
latest change in the order of the docket. We are going to call  
Case 1390.

MR. COOLEY: Case 1390: In the matter of the case called  
by the Oil Conservation Commission upon its own motion to permit  
the operators in the South Blanco-Tocito Oil Pool to appear and show  
cause why the provisions of Rule 506 of the Commission Rules and  
Regulations should not be imposed in the South Blanco-Tocito Oil  
Pool.

MR. KELLAHIN: Jason Kellahin, if the Commission please.

MR. PORTER: Mr. Kellahin.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing Calkins Oil Company. This is a hearing to permit the operators to show cause why the Rules and Regulations governing gas-oil ratio should not be imposed in this Pool. I think the Commission is well aware of the fact that Calkins Oil Company would rather show cause why they should be. We do not propose to offer any testimony, for that reason, and we urge that the Commission institute the gas-oil ratio rule in the South Blanco-Tocito Oil Pool. There has been considerable evidence offered in previous cases in connection with that. There are, as the Commission knows, two operators in the Pool, Calkins and the Texas Natural, and the Calkins Oil Company is operating a pressure maintenance water injection program in this pool. I would like to point out to the Commission, in connection with our position, figures which are in the Commission records reported on the monthly production reports.

During the month of November, with a production of 620 barrels of oil per day, we had a gas-oil ratio of 2795. In December with 908 barrels per day production, the gas-oil ratio was 2355. At that time there was no prorationing in the Pool, the market being the only limiting factor, and for that reason oil could be produced from any of the wells, and as a result the high gas-oil ratio wells weren't produced, or were produced on restricted production.

In January, when oil prorationing was instituted, it then became necessary to produce the allowable from each of the wells or

to lose it. With a production of 399 barrels of oil per day as compared to 908 for December, we had a gas-oil ratio of 420 as against gas-oil ratio of 2355 in December. I think that indicates some limiting factor should be imposed in this pool, and we strongly urge that the Commission do impose the restriction of Rule 506 in the South Blanco-Tocito Pool.

MR. PORTER: Is there a representative of the Texas Natural here?

MR. JOHNSON: Yes.

MR. PORTER: Would you state your position in this case, as being the only operator?

MR. JOHNSON: We are in favor of the limiting gas-oil ratio.

MR. PORTER: Would you give us your name, please?

MR. JOHNSON: David Johnson.

MR. PORTER: Does anyone have anything further in this case? We'll take the case under advisement.

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C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                                  ) ss  
COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this *31<sup>st</sup>* day of March, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Ada Dearnley*  
NOTARY PUBLIC

My commission expires:

June 19, 1959.



CASE 1391: SOUTHEASTERN NEW MEXICO  
NOMENCLATURE

Handwritten notes:  
1/1/60  
O. E. L.