Case Mo.

Large Exhibits

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: THE APPLICATION OF FEED TURNER, JR., FOR AN ORDER ORDER NO. 55 AUTHORIZING A BONUS ALLOWARLE TO BE GRANTED TO ANY OPERATOR WHO MAKES A DISCOVERY OF A NEW OIL POOL OR A WAW PRODUCING HORIZON IN AN EXISTING OIL FIELD OR AN EXTENSION OF AN EXISTING OIL POOL BY DRILLING TWO MILES OR HORS FROM ANY COMMERCIALLY PRODUCTIVE OIL WELL. ORDER OF THE COMMISSION TO 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". How, 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

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 discovery 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 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

in the public interest in that it tends to foster the discovery of new reserves

to replenish diminished reserves of State and Nation.

That the Order herein shall be known as the:

IT IS THEREFORE ORDERED:

the producing formation as follows:

2500 - 3000<sup>1</sup> -- 15000 bbls. 3000 - 3500 17500 # 3500 - 4000 20000 # Up to 1000' -- 5000 bbls. 1000 - 1500° 7500 # 1500 - 2000 10000 # 2000 - 2500 12500 # and 5 bbls per ft. of depth below 4000?

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 allowable provided for

herein shall be in quadruplicate upon Form C-102 and shall be accompanied in

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

(11) Plat of area for three siles around such discovery well.

in support of such fact.

ORDER NO. 573

since June 1, 1944.

(SEAL)

(111) And in addition thereto where the discovery is in a new producing horizon in an existing oil field, appropriate evidentiary matters

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

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. Dempsey Chairman (SGD) H. R. Rodgers

(SGD) John M. Kelly Secrotery

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

THE APPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORIZING A BONUS ALLOWABLE TO 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 AN EXISTING OIL POOL BY DRILLING TWO MILES OR MORE FROM ANY CONNERCIALLY PRODUCTIVE OIL WELL.

ORDER OF THE COMMISSION TO 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 advised 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 replenish diminished reserves of State and Nation. IT IS THEREFORE ORDERED:

That the Order herein shall be known as the:

CASE NO. 55

ORDER NO. 573

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 discovery 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 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 the producing formation as follows: Up to 1000' -- 5000 bbls. 1000 - 15001 1500 - 2000 10000 " 2000 - 2500 12500 H

2500 - 3000' -- 15000 bbls. 17500 <sup>n</sup> 20000 n and 5 bbls per ft. of depth below 4000!

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 reciod. 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 herein shall be in quadruplicate upon Form C-102 and shall be accompanied in quadruplicate by the following:

> (1) Recessery production and geological data of such discovery well.

> > CASE NO. 55

ORDER NO. 573

(11) Plat of area for three miles around such discovery well.

(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.

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 superscaes any order with which it is in conflict. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL COMSERVATION COMMISSION

(SGD) John J. Dempsey Chairman

(SGD) H. R. Rodgers

(SGD) John M. Kelly

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY THE CIL CONSERVATION COLMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOCE OF

THE APPLICATION OF FRED TURNER, JR., FOR AM ORDER AUTHORIZING A BONUS ALLOWABLE TO 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 ALL EXTENSION OF ALL EXISTING OIL POOL BY DRILLING TWO MILES OR MORE FROM

ANY COMMERCIALLY PRODUCTIVE OIL WELL ORDER OF THE COLLUSSION BY THE CONCISSION:

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

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

IT IS THEREFORE CEDERED: That the Order herein shall be known as the:

replenish diminished reserves of State and Nation.

BONUS DISCOVERY ALLOWABLE ORDER

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

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 the producing formation as follows:

Up to 1000' -- - - 5000 bbls. 1000 - 1500 - - - - 7500 " 1500 - 2000 - - - - 10000 " 2000 - 2500 - - - - 12500 " 2500 - 3000 - - - - 15000 " 3000 - 3500 - - - - 17500 "

3500 - 4000 - - - - 20000 " and 5 bbls. per ft. of depth below 40001.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION CONVISSION OF THE CASE NO. 55

STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: THE APPLICATION OF FRED TURNER, JR., FOR

AN ORDER AUTHORIZING A BONUS ALLOWABLE TO 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 AN EXISTING OH POOL BY DRILLING TWO WILES OR LORE FROM

AMY COLLEGGIALLY PRODUCTIVE OIL WELL ORDER OF THE COLDISSION

BY THE COMMISSION: This cause came on for hearing at ten o'clock A.M., August 4, 1944, at Santa Fe, Mew 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 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 Nation.

That the Order herein shall be known as the:

IT IS THEREFORE ORDERED:

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 discovery 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 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 the producing formation as follows:

> Up to 1000' -- - - 5000 bbls. 1000 - 1500 - - - 7500 " 1500 - 2000 - - - - 10000 " 2000 - 2500 - - - - 12500 " 2500 - 3000 - - - - 15000 " 3000 - 3500 - - - - 17500 " 3500 - 4000 - - - - 20000 "

BEFORE THE OIL CONSERVATION CONSISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY

(SEAL)

THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: THE APPLICATION OF FRED TURNER, JR., FOR

AN ORDER AUTHORIZING A BONUS ALLOWABLE TO BE GRANTED TO ANY OPERATOR WHO MAKES A DISCOVERY OF A NEW OIL POOL OR A NEW PRODUCING HORIZON IN AN EXISTING OIL FISED OR AN EXTENSION OF AN EXISTING OIL

POOT BY DRIVITING TWO MILES OR HORE FROM ANY COMERCIALLY PRODUCTIVE OIL WELL

ORDER OF THE COLASISSION BY THE COLORISSION: This cause came on for hearing at ten o'clock A.M., August 4, 1944, at Santa

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:

Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter

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 Nation. IT IS THEREFORE 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 field or an extension of the discovered portion of a known oil pool where such discovery is two miles or more from any conmercially productive oil well.

2. That such bonus discovery allowable shall be for one well, over and above 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 the producing formation as follows:

> Up to 1000' -- - - 5000 bbls. 1000 - 1500 - - - - 7500 " 1500 - 2000 - - - - 10000 " 2000 - 2500 - - - - 12500 " 2500 - 3000 - - - - 15000 " 3000 - 3500 - - - - 17500 " 3500 - 4000 - - - - 20000 " and 5 bbls. per ft. of depth below 40001.

and 5 bbls. per ft. of depth below 4000'.

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. 55 ORDER NO. 573 THE APPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORIZING A BONUS ALLOWABLE TO 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 AN EXISTING OIL POOL BY DRILLING TWO MILES OR MORE FROM ANY COMMERCIALLY PRODUCTIVE

ORDER OF THE COMMISSION TO THE COMMISSION:

IT IS THEREFORE ORDERED:

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 advised 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 replenish diminished reserves of State and Nation.

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 poel 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.

2. That such benus discovery allowable shall be for one well, over and above 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 the producing formation as follows:

Up to 1000' -- 5000 bbls. 1000 - 1500<sup>1</sup> 7500 <sup>8</sup> 3000 - 3500 17500 20000 # 1500 - 2000 10000 <sup>11</sup> 3500 - 4000 2000 - 2500 12500 <sup>11</sup> and 5 bbls per ft. of depth below 4000'

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

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) Necessary production and geological data
  - (11) Plat of area for three piles around such discovery well.

of such discovery well.

in support of such fact.

(111) And in addition thereto where the discovery is in a new producing horizon in an existing oil field, appropriate evidentiary matters

B. When such application is approved by the Commission, through its Director, two shall be rotained 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 7. That the Order herein supersodes 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. Demosey

Chairman (SGD) H. R. Rodgers Member

(SGD) John M. Kelly Secretary

IN THE MATTER OF THE HEARING CALLED BY THE OIL

CONSERVATION COMMISSION OF THE STATE OF NEW HEXICO FOR THE PURPOSE OF CONSIDERING: CASE NO. 55 ORDER NO. 573 THE APPLICATION OF FRED TURNER, JR., FOR AN ORDER AUTHORIZING A BONUS ALLOWABLE TO 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 AN EXISTING OIL POOL BY DRILLING

ORDER OF THE COMMISSION TO THE COMMISSION:

TWO MILES OR MORE FROM ANY COMMERCIALLY PRODUCTIVE

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 advised in the premises, the Commission finds:

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 Nation. IT IS THEREFORE ORDERED: That the Order herein shall be known as the:

and 5 bbls per ft. of depth below 4000

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 discovery 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 top unit allowable of the proration unit upon which such discovery well is

the producing formation as follows: Up to 1000' -- 5000 bbls. 1000 - 15001 7500 T 1500 - 2000 10000 # 12500 R

located, and for an amount of oil in accordance with depth measured to the top of 2500 - 3000' -- 15000 bbis. 3000 - 3500 17500 " 3500 - 4000

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

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) Necessary production and geological data of such discovery well.
- (11) Plat of area for three miles around such discovery well.
- (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.
- 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 Crder heroin 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 Senta Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION

(SGD) John J. Dempsey Chairman

(SGD) H. R. Rodgers

(SGD) John M. Kelly

3. That such bonus discovery allowable shall be produced at a daily rate not greater than the figure obtained by dividing the total bomus 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 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

- ouadruplicate by the following: (1) : @cessary 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 producing 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. DEMPSEY, Chairman

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

(SEAL)

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 allowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in

- quadruplicate by the following: (1) Macessary 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 producing 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. DOME at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION (SGD) JOHN J. DEAPSEY, 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.

(SEAL)

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 allowable provided for herein shall be in quadruplicate upon Form C-102 and shall be accompanied in quadruplicate by the following:

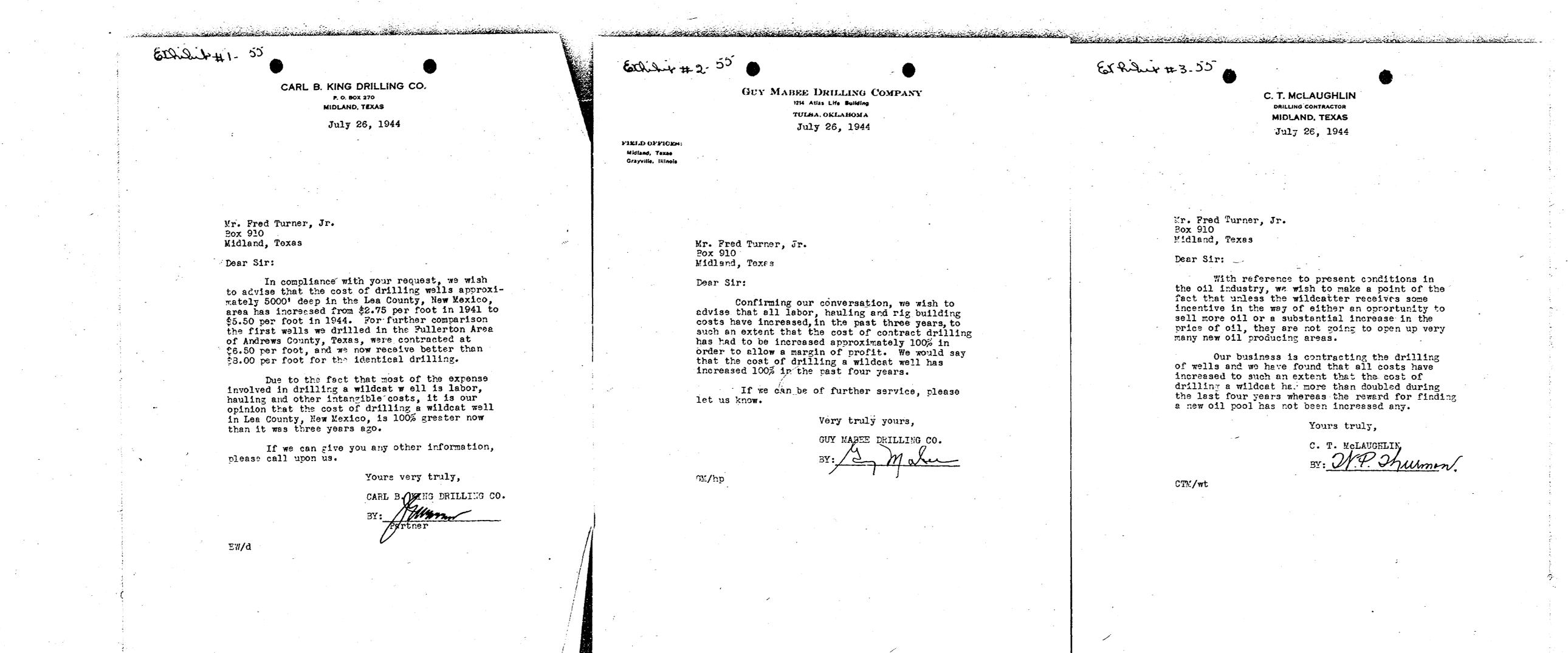
- (1) Mecessary production and geological data of such discovery well. (2) Plat of area for three miles around such discovery well.
- (3) And in addition thereto where the discovery is in a new producing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.
- B. When 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 COMSERVATION COMMISSION (SGD) JOHN J. DEMPSEY, Chairman " H.R. RODGERS, Member

" JOHN M. KELLY, Secretary

(SEAL)



EIRILIT 7-55

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DOCKET MCS. 108, IN RE: 120, 123, 124, 125, 126, 128, 129, 132 and 146

OF TEXAS

Austin, Texas
August 16, 1943

IN RE: CONSERVATION AND PREVENTION

OF WASTE OF CRUDE PETROLEUM

AND NATURAL CAS IN THE STATE

CPDER AMENDING STATEWIDE CROER NO. 20-4356 FIXING ALLOWABLES 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 CRDERED By the Railroad Commission of Texas that effective 7 A. M., August 17, 1943, its Order No. 20-4356 dated January 15, 1943, be amended in such a manner that the scale of daily well allowables as herein set forth shall be applied in determining the oil allowable of wells under the hereinafter prescribed conditions.

DAILY WELL ALLOWABLE 0 - 1,000 0 - 1,000
1,000 - 2,000
2,000 - 3,000
3,000 - 4,000
4,000 - 5,000
5,000 - 6,000
6,000 - 7,000
7,000 - 8,000
8,000 - 9,000
10,000 - 10,000
11,000 - 12,000
12,000 - 13,000
13,000 - 14,000
14,000 - 15,000 40 bbls. 60 bbls. 80 bbls. 100 bbls. 120 bbls. 140 bbls. 160 bbls. 180 bbls. 200 bbls. 240 bbla. 260 bbls. 280 bbls. 300 bbls.

14,000 15,000 300 bbls.

IT IS FURTHER ORDERED That the assignment of discovery well allowables shall be in accordance with the hereinafter prescribed provisions:

(1) Producing oil wells, subject to the limitations hereinafter sate out, that are drilled in what is determined by the Commission to be either a new field, a new producing horizon in an old field, or an extension of the producing limits of any known producing horizon shall be entitled to the discovery allowable.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

explair 5.55

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 Oklahoma for the Months of August and September 1943

ORDER No. 16542

REPORT OF THE COLMISSION

This cause came on for hearing before the Corporation Commission of the State of Cklehoma in its court room in the Capitol Office Building, Cklahoma City, Oklahoma, on the 20th day of July, 1943, at 11 o'clock, A.L., upon the application of the Conservation Officer and pursuant to an order of the Commission setting the cause for hearing and notice thereof published as required by law; at which hearing there appeared the Conservation Officer, the Conservation Attorney, and many operators, producers, purchasers, and takers of cil, and others interested in the various sources of supply of oil in the State of Cklahoma, and evidence in support of said application was adduced and all parties present announced 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 jurisdiction of the subject matter embraced in said application and of the parties interested therein, and jurisdiction to issue and promulgate the hereinafter prescribed order.

FINDINGS

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 Cklahoma, including but not limited to crude oil, condensate, and natural gasoline at 363,400 barrels per day, which was within the certification made by the Petroleum 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 cannot be obtained without waste, as defined by the statutes of the State of Oklahoma 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 cil therefrom during said period, and that it is necessary to restrict the production of oil in each of said common sources of supply.

4. That the Corporation Commission has classified each of the common sources of supply in the State of (klahoma into divisions known as stripper areas, Classes A, B, and C, and unclassified allocated areas; that such classification is necessary and proper in order that waste may be prevented and that there be no discrimination between the various sources of supply, and in order properly to administer the laws of the State of (klahoma and the orders of the Commission.

5. That the Corporation Commission has considered each of the common sources of supply in each of the classifications above enumerated as a separate and distinct unit in determining the amount of oil that should be produced.

6. That the President of the United States appointed the Honorable Harold L. Ickes, Secretary of the Interior, as Petroleum Administrator for War, and in general empowered hir to coordinate and regulate the production of oil throughout the United States during the national emergency; that the Petroleum Administrator certified the total production of all petroleum liquids including but not limited to crude oil, condensate, and natural gasoline, in the State of Oklahoma during the months of August and September 1943 should be approximately 347,000 barrels per day.

15. That the following pools, to-wit: Dill Northeast and Cumberland Oil Creek are newly discovered pools and should be restricted so as to prevent waste, and the same should be classified in the Unclassified Allocated Areas; that the Commission's records show a Norvin Pool but since the last order of the Commission the Nomenclature Committee of the Kid-Continent Oil & 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 Petroleum 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 358,000 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 Fools and the Earlsboro 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 contained 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 sometime in the past there

has been a demand on behalf of the operators, producers and others interested in the production of oil in the State of Ckishoma, 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 allowables to any well that is drilled into a new common source of supply would be an encouragement to wildcat 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 Oklahoma and to the proper prosection of the war effort, and to all operators, producers and royalty owners 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 oil operators in this State including an engineer in the Conservation Department, to make a study of the proper method of granting discovery allowables; that said 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 out in this order will be fair, equitable and just and will tend to encourage the drilling of new and wildcat wells, and will insure the discovery of additional oil reserves, all of which will be most beneficial to the producers, operators and others interested and to the citizens of the State of Oklahera in general, and will tend to promote the war effort and result in a greater ultimate recovery of oil in the State of Oklahema.

ORDER

ORDERD by the Corporation Commission of the State of

Oklahema as follows:

1. The Corporation Commission, its Cil and Gas Conservation Department and the officers and employes thereof, the producers, operators, royalty emmors, purchasers and takers of cil, and all interested persons recognize that in the mational emergency full and complete cooperation must be given to the war effort

and to the Petroleum Administrator for War.

2. From and after 7 o'clock, 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 common sources of supply in the State of Oklahoma which is not now overproduced, plus any permitted underproduction to its credit, or minus any overproduction charged to it as of the 1st day of July and August, 1943, is limited and restricted as follows:

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

Cumberland - Bromide Fool
Cumberland - Lish Pool
Earlsboro - Northwest Pool

3,700 Barrels 7,800 Berrels 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 common source of supply.

3. All overage in the State of Cklahoma 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 waste, 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 hearing 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 Mulkehay Well No. 5 225 barrels, as set out in Faragraph 13 of the Findings hereof.

5. All operators, producers, and pruchasers 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 modified or amended, shall continue in force and effect until otherwise ordered by the Commission, and this order shall in no manner be construed to release or relieve any operator from making up any and all overproduction of oil from any well or lease in excess 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, purchasers, pipeline companies, refineries, royalty owners, and all persons interested in or having control, either privately or in all official capacity, over any department of the oil industry in the State of Oklahoma, are 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 provision hereof, and any production in excess of the amount hereby ordered, is in violation of the certification made by the Petroleum Administrator for War.

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

9. The several provisions of this order are separable, and the validity of any one is in nowise dependent upon the validity of any other. If any provision section, paragraph, sentence, or clause hereof shall be held to be invalid or void for any reason, the same shall in no manner affect the validity of any other provisation, section, paragraph, sontence, 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 oil production of all wells and leases in the various pools in the State shall be limited and restricted to the per cent of daily production as fixed and determined by the last valid order of the Commission.

CC -1#4while Exhibit # 2- 55 Ex Riber # 3.55 CARL B. KING DRILLING CO. GUY MABEE DRILLING COMPANY C. T. McLAUGHLIN P. O. BOX 270 1214 Atlas Life Bullding DRILLING CONTRACTOR MIDLAND, TEXAS TULSA, OKLAHOMA MIDLAND, TEXAS July 26, 1944 July 26, 1944 July 26, 1944 FIELD OFFICES: Midland, Texas Grayville, Illinois Mr. Fred Turner, Jr. Mr. Fred Turner, Jr. Box 910 Eox 910 Midland, Texas Mr. Fred Turner, Jr. Box 910 Midland, Texas Dear Sir: Midland, Texas Dear Sir: With reference to present conditions in In compliance with your request, we wish Dear Sir: the oil industry, we wish to make a point of the to advise that the cost of drilling wells approxifact that unless the wildcatter receives some mately 5000' deep in the Lea County, New Mexico, Confirming our conversation, we wish to area has increased from \$2.75 per foot in 1941 to \$5.50 per foot in 1944. For further comparison the first wells we drilled in the Fullerton Area incentive in the way of either an opportunity to advise that all labor, hauling and rig building sell more oil or a substantial increase in the costs have increased, in the past three years, to price of oil, they are not going to open up very such an extent that the cost of contract drilling many new oil producing areas. of Andrews County, Texas, were contracted at has had to be increased approximately 100% in \$6.50 per foot, and we now receive better than order to allow a margin of profit. We would say Our business is contracting the drilling \$8.00 per foot for the identical drilling. that the cost of drilling a wildcat well has of wells and we have found that all costs have increased 100% in the past four years. increased to such an extent that the cost of Due to the fact that most of the expense drilling a wildcat has more than doubled during involved in drilling a wildcat w ell is labor, If we can be of further service, clease the last four years whereas the reward for finding hauling and other intangible costs, it is our a new oil pool has not been increased any. opinion that the cost of drilling a wildcat well in Lea County, New Mexico, is 100% greater now Very truly yours, Yours truly, than it was three years ago. GUY MARKE DRILLING CO. C. T. McLAUGHLIN If we can give you any other information, BY: W.P. Thurmon please call upon us. Yours very truly, GM/hp EW/d

Order Amending Statewide Order No. 20-4356
Page 2
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(a) For the purpose of assigning discovery allowables, groups or clusters of wells shall be considered. Each such group or cluster of wells shall consist 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 well of such group or cluster. The discovery allowable as applied to any such group 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 distance 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.

one-half mile from the closest well which produces oil from the same horizon may be claimed to be the discovery well around which a group or cluster of wells may be started. In order to be assigned to such group or cluster so established, all subsequent completions must be within a radius of less than 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 wells.

IT IS FURTHER ORDERED That all wells to which the provisions of this order shall be found to apply shall be exempt from all shutdown orders during such period of time as the provisions of this order are applied thereto.

IT IS FURTHER ORDERED That this cause be held open on the docket for such other and further orders as may be necessary.

RATIROAD COMMISSION OF TEXAS

Beauford H. Jester, Chairman

Olin Culberson, Commissioner

Ernest O. Thompson, Commissioner

(SEAL)
ATTEST: L. D. Ransom, Secretary

7. That from reports made by the natural gasoline plants throughout the State of Cklahoma 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 28,000 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.

6. That the Corporation Commission has considered the amount of oil that can be produced from each of the allocated common sources of supply in the State of Oklahome without waste, and finds that during the months of August and September 1943 there can be produced from each of the allocated 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 gasoline, condensate and other liquefied petroleums which can be produced without waste during the months of August and September 1943 will be 352,000 barrels per day which exceeds the amount recommended by the Petroleum Administrator as above set out, but that the same will be in conformity with the program of the Petroleum 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 as stripper wells; that in order to prevent their premature abandonment and tp prevent the various types of waste defined in Chapter 131, Session Laws of 1933, and amendments thereto, and in accordance with the other provisions of said law, all of said stripper wells should be permitted to produce at capacity during the months of August and September 1943.

11. That many of the wells in the stripper areas of the State of Cklahome must be produced at capacity 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 grees and to the State as a whole.

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

13. That in the Apache Pool, where two wells are located on forty acres as provided by the Commission's order establishing twenty-acre triangular spacing, the August and September 1943 allowable should be 150 barrels per well per day; and on leases where one well has been drilled on forty acres 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 notice and hearing that a forty-acre unit is not entirely productive of oil, the Commission will reduce the allowable accordingly; provided further, that The Texas Company's Mulkehay well No. 3 should have an allowable of only 150 terrels 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 Kulkehay 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 than 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 canceled 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 Commission.

LASSIFICATION	DAILY ALLOCATION	PER CENT	PER WELL MINIMUM
TRIPPER WELLS	191,098		
Oklahoma City - Wilcox Mone	47,000	98.0	25
LASS "B" POOLS			
Billings - Wilcox	4,525	5.03	60
Frederick - Deep	500	2.43	25: Karginal
Hewitt, West	2,200	95.0	25
Jesse	1,600	24.0	70
Peuls Velley - Bromide	4,400	15,1	100 Marginal
Pauls Valley - Pennsylvania		15.1	100 Marginal
ranto terrol - tempolitemic	14,225	10.1	ico surginai
IASS "ON POOLS			
Fitts - Cromwell	500		•
Fitts - Hunton	1,000		•
Fitts - Upper Simpson	2,500	•	
Fitts - Wilcox	. •		
ricus - milgox	2,400 6,400		
CLASSIFTED ALLOCATED AREAS			
Adems	725		100
Anderson	250		125
Apache	7,000		
Big Ben of Osage	1,050		•
Brooksville	800		160 :
Brooksville South	500		250
Burbank, South	7,100		
Byars, Scuth	400		75
Caddo - Deep	400		400
Coment	5,600	-	400
Cement, Southwest	1,261		300
Coyle	4,800	•	
Cumberland - Bromide			200
Cumberland - Oil Creek	3,500		
	500		
Cumberland - McLish	6,500		
Dill, Northeast	331		300
Earlsbore, North - Wilcox	2,800	•	125
Erlsboro, Northwest	600		200
Edmond, West	1,227		<b>306</b>
Guthrie	2,000		156
Guthria Townsite	300		175
Hern's Corner	785		200
Liberty	400	•	400 ·
Liberty, Northezst	· 350		350
Lucier, Mortheast	500		300
McComb, South	300		160
Naval Reserve	2,300		-VV .
Navine, West	300	•	100
Oklahoma City -			FER WELL
Lower Simpson	7,500		ALLO: ABLE
Upper Simpson Dolomite	225	•	
North Upper Heaver	300		
Romsey - Hunton	1,600		•
Remsey - Wilcox	8,800		
Rusk	1,700	-	. 225
Shawnee, North	1,160		
Stella	278		200
Velsa - Deep			200
	560		400
Metchorn, East	$\frac{2,375}{71,277}$		125
	•		•
TOTAL ALLOCATED AREAS	138,902		
TOTAL CRUDE OIL	330,600	•	
TOTAL OTHER PETROLEUM LIQUII	DS 25,000		•
CPAND TOTAL	358,000		•
OLEGE TOTAL	336,000		

· -4-

l. A discovery allowable shall be granted to each separate and distinct source of supply not previously known or proven to be productive, and if more than 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, 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 barrel 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. Below 2000 feet the following table shall be used as a basis for computing discovery

	BASIS OF	•	
	•	62	ZASIS OF
DEPTH	DISCOVERY ALLOWABLE	DEPTH	DISCOVERY ALLOWABLE
FEET	BBIS. PER FT. OF DEPTH	FEET	BBLS. PER FT. CF DEPTH
2001 - 2500	2.75	8501 - 9000	6.0
2501 - 3000	3.0	9001 - 9500	6,25
3001 - 3500	3,25	9501 - 10000	6.5
3501 - 4000	3.5	10001 - 10500	6.75
4001 - 4500	3.75	10501 - 11000	7.0
4501 - 5000	4.0.	11001 - 11500	7.25
5001 - 5500	4.25	11501 - 12000	7.5
5501 - 6000	4.5	12001 - 12500	7.75
6601 - 6500	4.75	. 12501 - 13000	€.0
6501 - 7000	5.0	13601 - 13500	. €,25
7001 - 7500	5.25	13501 - 14000	<b>£.</b> 5
7501 - 8000	5.5	14001 - 14500	8.75
8001 - 8500	5.75	14501 - 15000	9.0

The depth used for computing discovery allowables shall be the depth of the top of the producing formation or the top perforation when casing is set through the producing formation.

ILLUSTRATION: On a well 6800 deep to the source of supply, the discovery silcomable 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 ratable basis for a period of one year from the date of marketing the first oil 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 extended.

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 said wells.

5. The discovery allowables shall be granted only upon 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 temporary allowables under this order subject to the approval of the Corporation Commission.

DONE AND PERFORMED BY the Surporation Commission at its offices in the Capitol Office Building, Oklahoma City, Oklahoma, this 28th day of July, 1943.

CORPORATION COMMISSION OF THE STATE OF

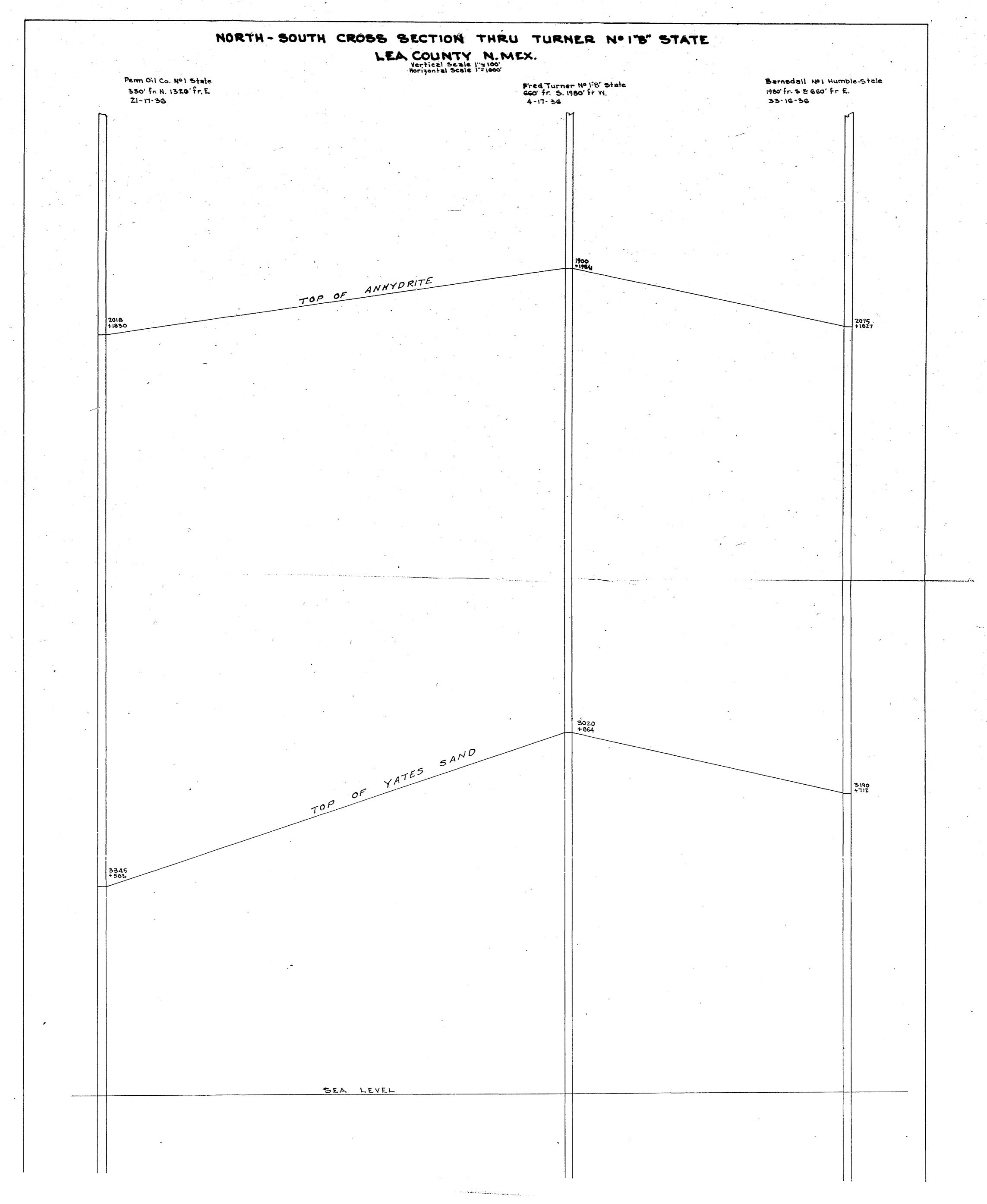
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RAY O. WEELS Vice-Chairman
Commissioner

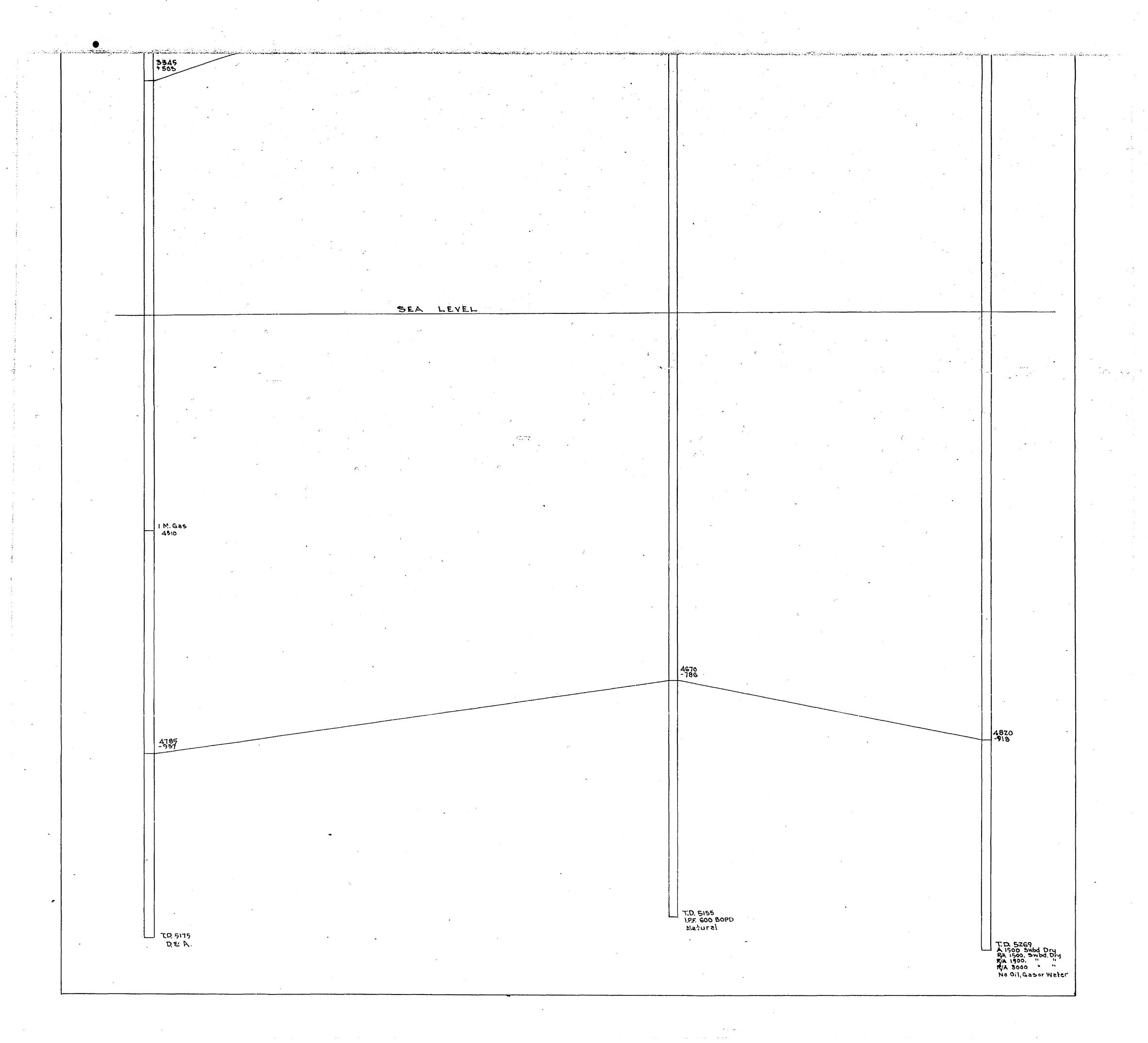
CARL B. MITCHELL
Secretary
(seal)

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CROSS SECTION

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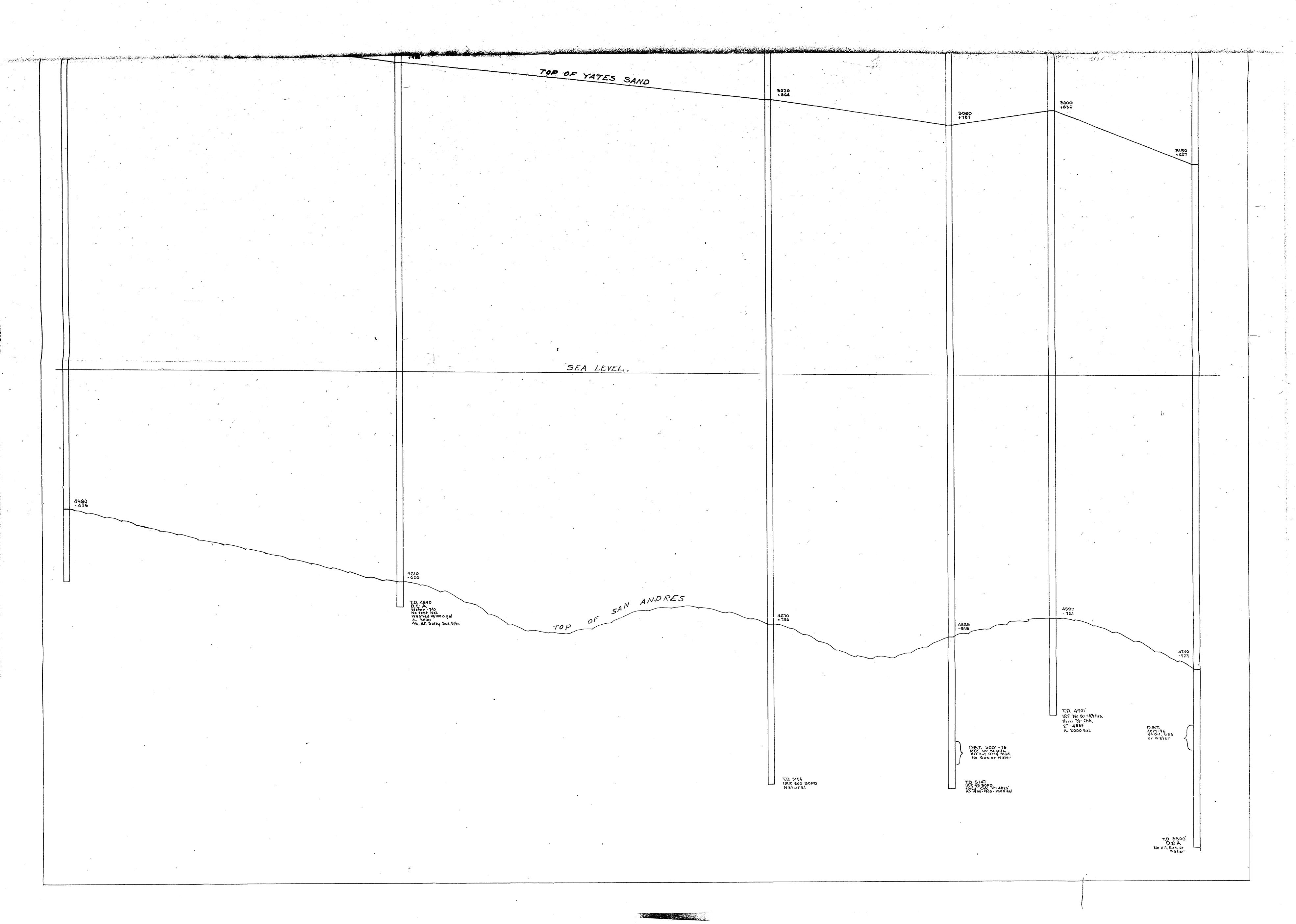
THEU

SOUTH LOVINGTON

POOLS

LEE CO. N.M. Drig. & Exploration Nº 1-8 State 2310' fr. N. & 1980' fr. W. 22-358-17-5 Continental Nº1 Stale N-29 Amerada Nº4 LA State 660' fr.S.EW. 29-16-17 TOP OF YATES SAND

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SINGHAUR PRAURIE OU MARKETURE COMPANY

NATIONAL BANK OF TULSA BUILDING

Tuesa, Orlandonia

July 27, 1944

Mr. Fred Turner, Jr. P. O. 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, Lea 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 PRAIRIE OIL MARKETING COMPANY

J. Mozones

Ex Rober - 9 50

RAILROAD COMMISSION OF TEXAS

BEAUFORD H. JESTER

tulu 20. lold

July 29, 1944

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.

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

urs most sincerely,