

BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE OF  
NEW MEXICO

In the Matter of the Petition of the Barnsdall Oil Company for a hearing to modify "Order No. 22", the proration order for the Monument Field, Lea County, New Mexico, made effective May 1, 1936, which said order was promulgated by the Oil Conservation Commission, pursuant to a recessed hearing held on the 25th day of February, 1936 for the purpose of considering a plan of proration for said field.

CASE NO. 2

ORDER NO. 33

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A. M. on the 12th day of June, 1936, in the Supreme Court Room in the State Capitol, Santa Fe, New Mexico, upon the petition of the Barnsdall Oil Company, in the above designated matter.

Now, on this 16th day of July, 1936, the Commission, having before it for consideration the evidence adduced at the hearing in said case, and being fully advised in the premises, and finding that waste of oil and gas is reasonably imminent in the Monument field and that the following order is reasonably necessary to prevent such waste, therefore orders:

PRORATION PLAN FOR MONUMENT  
FIELD, LEA COUNTY.

Sec. 1. The total allowable production of oil in the Monument field shall be allocated within the field by productive units. Units shall not be allocated more oil than they can produce without unreasonable waste.

Sec. 2. Productive units shall be classified as marginal and non-marginal units, a marginal unit being one that cannot produce the acreage unit allowable, and a non-marginal unit one with a daily potential equal to or larger than the acreage unit allowable. Marginal units shall be allocated approximately the amount of oil they can produce.

Sec. 3. The total allocation to marginal units shall be deducted from the total daily field allowable and the resulting number of barrels shall be designated as the total daily non-marginal field allowable.

Sec. 4. Regular units for allocation shall consist of 40-acre tracts in a square, and of tracts having an area of from 39 to 40 acres according to the surveys of the United States Government.

Sec. 5. If a productive tract, according to Government surveys, consists of more than 40 acres, the allocation to such special unit for both acreage unit allowable and bottom hole pressure allowable shall be in the ratio of its area in whole number of acres to 40 acres.

Sec. 6. When the area of a productive tract is less than 39 acres, such tract shall be considered a fractional unit. If the area in acres of a fractional unit, according to the official plats of the United States Government, is exactly a whole number, the allocation to such fractional unit for both acreage unit allowable and bottom hole pressure allowable shall be in the ratio of

that number of acres to 40 acres. If the area in acres of a fractional unit, according to Government survey plats, is not a whole number, the allocation to such fractional unit as compared to a regular unit, shall be in the ratio of the next larger whole number of acres to 40 acres.

Sec. 7. Eighty (80) per cent of the total daily non-marginal field allowable shall be allocated equally to the non-marginal productive units, except as otherwise noted herein. This allocation to each unit shall be designated as the acreage unit allowable.

Sec. 8. Twenty (20) per cent of the daily non-marginal field allowable shall be prorated to the different non-marginal units on the basis of the static bottom hole pressures of the wells. The average of the three lowest static bottom hole pressures shall be obtained, and this pressure shall be designated as the deduction pressure; provided, however, that if the average of the three lowest pressures is less than eighty (80) per cent of the highest unit static bottom hole pressure for the field, the deduction pressure shall be eighty (80) percent of the said highest unit static bottom hole pressure. This deduction pressure shall be subtracted from the actual bottom hole pressure for each unit. The results obtained for all the non-marginal units shall be added together and the sum shall be divided into the total bottom hole pressure allowable for the field. The quotient obtained shall be designated the bottom hole pressure factor. To obtain the bottom hole pressure allowable for each unit, this factor shall be multiplied by the difference between the bottom hole pressure for the unit, and the established deduction pressure. Units having a lower bottom hole pressure than the established deduction pressure, as defined above, shall be considered as having the deduction pressure, and such units shall be allocated only the acreage unit allowable. Where there are more than one producing well on a unit, the applied bottom hole pressure for that unit shall be the average of the bottom hole pressures for ~~all~~ the wells. This pressure shall be used in computing the allocation to the unit as though there was only one well on the unit. The sum of the acreage unit allowable and the bottom hole pressure allowable shall be the total allocation for each non-marginal unit.

Sec. 9. Wells completed during a pressure survey period of three months shall be allocated the non-marginal unit allowable for Lea County during the balance of the period.

Sec. 10. The pressures of pumping wells can be taken at six-month intervals instead of three month intervals if the operator so desires. If the mechanical condition of a well is such that the bottom hole pressure cannot be taken the allocation to that unit shall be the acreage unit allowable for the field.

Sec. 11. The Umpire shall notify the operator of the day and hour that a well is to be shut in for bottom hole pressure test. The bottom hole pressure shall be measured not less than 24 hours nor more than 36 hours following said specified time. Notice to the operator shall be given by the Umpire not less than 24 hours before the time for the well to be shut in. The well shall produce its regular allocation during the 24-hour period ending at the time the well is shut in.

Sec. 12. When it is unsafe for the Proration Umpire or his representative to determine a static bottom hole pressure because of the mechanical condition of a well, that unit shall automatically receive the acreage unit allowable.

Sec. 13. The pressure shall be measured as near as possible to a point in the well 250 feet below sea level. When it is impossible to determine the pressure at this point the pressure may be adjusted from the actual point of determination to 250 feet below sea level, according to the static head of the fluid at the point at which the pressure is determined; provided that, when due to the mechanical condition of the well, it is impossible to determine the pressure closer than 150 feet from a point 250 feet below sea level, the well shall be considered not to be in condition to determine the static pressure, and it shall receive the acreage unit allowable until it is put in such condition that the pressure can be determined.

Sec. 14. Static bottom hole pressures shall be taken prior to August 1, 1936, and these pressures shall be used in making allocations for the period August 1-October 31, 1936. A similar procedure shall be followed for subsequent three-month periods.

Sec. 15. This order shall become effective August 1, 1936, at which time it shall revoke Order No. 22 of the Commission, adopted March 25, 1936. It shall remain in force until revoked by order of the Commission.

Sec. 16. Allocations to the Monument field as a whole shall be determined according to the plan of Order No. 1 of the Commission, "General State Proration Order", adopted June 29, 1935. Allocations for the field and the wells therein shall be included in "General State Proration Orders" of the Commission, prepared by the Proration Umpire for Lea and Eddy Counties, as authorized by the Commission in Order No. 1. This order supersedes any provisions of Order No. 1 with which it is in conflict.

Sec. 17. C. G. Staley, Proration Umpire for Lea and Eddy Counties and Deputy of the New Mexico Oil Conservation Commission, is hereby specifically authorized to determine the static bottom hole pressure and the allocations to each unit in the Monument field in accordance with this order.

OIL CONSERVATION COMMISSION

CLYDE TINGLEY  
Governor

FRANK VESELY  
Commissioner of Public Lands

E. H. WELLS  
State Geologist