

R E P O R T
TO
O I L C O N S E R V A T I O N C O M M I S S I O N
OF
T H E S T A T E O F N E W M E X I C O
A N D T O T H E
O I L O P E R A T O R S O F N E W M E X I C O
ON
T H E S U S P E N S I O N O F P R O D U C T I O N O F C R U D E O I L
(August 17, 1938 to Sept. 1, 1939)

Hobbs, New Mexico
September 11, 1939

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INTRODUCTION

On August 16, 1939 the Oil Conservation Commission of the State of New Mexico issued Order No. 196 prohibiting the production of crude oil in order to prevent waste. The order covered the fifteen (15) day period beginning August 17, 1939 at 7:00 A.M. and ending September 1, 1939 at 7:00 A.M.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF SUSPENDING PRODUCTION OF CRUDE

OIL IN NEW MEXICO FOR A FIFTEEN DAY PERIOD

EMERGENCY ORDER NO. 196

ORDER OF THE COMMISSION

BY THE COMMISSION

WHEREAS, it appears that the immediate production of crude oil tends to create waste because of an unstable condition of the petroleum industry an emergency is hereby declared.

It is therefore ordered that all production of crude oil in New Mexico be suspended for a fifteen day period beginning 7 o'clock A.M. August 17, 1939 and ending 7 o'clock A.M. September 1, 1939.

OIL CONSERVATION COMMISSION

BY: John E. Miles, Governor State of N.M.

A. Andreas, State Geologist

Frank Worden, Land Commissioner

The following telegram was received at the Proration Office, Hobbs, during the evening of August 16, 1939:

HONORABLE GLENN STALEY
PRORATION UMPIRE

THE COMMISSION TONITE SIGNED EMERGENCY ORDER NO. 196 TO PREVENT WASTE ORDERING THAT ALL PRODUCTION OF CRUDE OIL IN NEW MEXICO BE SUSPENDED FOR A FIFTEEN DAY PERIOD BEGINNING WITH SEVEN O'CLOCK A.M. AUGUST SEVENTEENTH 1939 AND ENDING AT SEVEN O'CLOCK A.M. SEPTEMBER FIRST 1939.

NEW MEXICO OIL CONSERVATION COMMISSION

EXCEPTIONS TO ORDER

As there were several wells which would have been irreparably damaged due to water flooding and also as gas wells were needed to supply municipalities, the Commission granted exceptions from Order No. 196. On August 22, 1939 Glenn Staley, Proration Umpire at Hobbs, and Roy Yarbrough, Oil and Gas Inspector at Hobbs, were authorized by the Commission to grant such exceptions as they thought necessary.

SANTA FE, NEW MEXICO
AUGUST 22, 1939

GLENN STALEY
HOBBS, N.M.

GLENN STALEY AND ROY YARBROUGH ARE AUTHORIZED BY THE COMMISSION TO OK EXCEPTIONS TO THE GENERAL SHUTDOWN ORDER AND ARE ALSO AUTHORIZED TO ALLOW PIPE LINE RUNS FROM WELLS THAT HAVE BEEN EXCEPTED FROM SAID ORDER. CONFIRMATION IS BEING MADE BY LETTER.

NEW MEXICO OIL CONSERVATION COMMISSION
BY FRANK WORDEN, SECRETARY

Exceptions were granted to the following listed wells; all oil produced, however, will be deducted from their allowable during the next proration period. No well was granted an allowable during the shutdown period and all wells excepted from Order No. 196 were produced at as low a rate as was practical;

TABLE OF EXCEPTIONS TO ORDER NO. 196 BY COMPANIES

<u>COMPANY</u>	<u>FIELD</u>	<u>LEASE</u>	<u>WELL</u>	<u>REMARKS</u>		
AMERADA PET. CORP.	Hobbs	Hardin	1	89% water		
			2	95% "		
			3	25% "		
				State A	2	Gas for Hobbs
				" B	4	60% water
				" C	1	32% "
				" E	1	55% "
					2	16% "
			Cooper	Everett	1	99% "
		2			70% "	
		3			33% "	
				Isbell	2	95% "
			Jal	Dyer	1	97% "
	Monument	Byrd	3	Gas for pump station		
ATLANTIC RFG. CO.	Hobbs	Grimes Bradley	1	80% water		
			1	87% "		

COMPANY	FIELD	LEASE	WELLS	REMARKS
BARNSDALL OIL CO.	Jal	Farrist	.	80% water
BROWN, EVA	Artesia	Allen	1-8	water
COCKBURN, BARNEY	Penrose	Mattern	1	water
CONTINENTAL OIL CO.	Rattlesn.			30 wells making water
	Hobbs	State A-5	1	water
	Monument	Britt B-10	1	"
		State A-7	1	"
		Sand. B-10	2	"
			3	"
		Britt B-15	3	"
	Eunice	Meyer A-18	4	"
	Cooper	Gates A-23	1	"
		Vaughn A-14	1-5	"
		" A-15	1	"
	Jal	Wells A-11	1	"
		Sholes B-13	2	"
	Eaves	Eaves A-19	1	"
		" A-30	2	"
		" B-30	1	"
		McCallister A	2	"
DANGLADE-CLOWER	Hardy	Currie	1	water
		Turner	1	Gas for house
	Penrose	Xmas-Cowden	1	water
		Clifton	1	"
		Manda	1	"
		Xmas	2	Gas for drlg.
	Skelly	Glier	1	water
		" B	1	"
FARRELL, J.E.	Penrose	Walden A	1	water
		" C	1	"
GENERAL CRUDE OIL	Cooper	Cushing	1	93% water
		Meyers	1-3	89% "
		State F	1	80% "
		Woolworth	1	94% "
	Lynch	State B	1-2	86% "
			4	66% "
GULF OIL CORP.	Hobbs	Hardin	1	water
		H. Grimes	4	"
		E. Grimes	1	Gas to Hobbs
			3	"
			4	Test after packer
		W. Grimes	3	water
	Eunice	A. Ramsey C	3	"
		Houston	4	"
		Butler	1	"
		Felton	1	"
		White	4	"
		Campbell	2	"
		Bell Ramsey B	1	Remedial work
	Cooper	G.E. Cooper	1	water
		A. Ramsey	2	"
	S. Eunice	Greer	1	"

COMPANY	FIELD	LEASE	WELL	REMARKS	
GULF-CONFD.	Langlie	Shahan	1	water	
		Stuart	1	Gas for drlg.	
	Penrose	McCormick	5	"	
		Baker	1-2	Treating wells	
HARTWELL	Artesia	Brainard	1-3	water	
		Mann	1	"	
		State	1	"	
HUMBLE OIL & RFG.	Cooper	Coates	4	water	
		J.M. Cooper	1	"	
		S.R. Cooper	1	"	
		Mosely	2	"	
		Harrison	1	"	
	Jal	Lindley A	1-2	"	
	Eunice	State B	1	"	
ITALO PET. CORP.	Langlie	Carlson B	1	water	
		Wells B-5	2	"	
		B-4	1	"	
LANDRETH PROD. CO.	Hobbs	State C	1	65% water	
	Penrose	Grizzell	2-3	10% water	
MAC & STAUFFER	Penrose	Grizzell	2	water	
OLEAN PET. CO.	Penrose	Boyd	1	water	
PHILLIPS PET. CO.	Cooper	Woolworth	13	water	
REPOLLO OIL CO.	Jal	Hanagan	3	50% water	
		Brownlee	1	95% water	
	Eunice	State "176"	2	70% water	
			6	54% water	
		Hardy	Turner	2	15% water
			York	1	15% water
REPUBLIC PROD. CO.	Langlie	Crosby B	1	90% water	
SHELL OIL CO. INC	Hobbs	Grimes	1	Gas for Hobbs	
		State D	2	water	
	Lynn	State A	1	"	
SKELLY OIL CO.	Jal	Joyner	1	56% water	
	Hobbs	State A	1	92% "	
	Monument	Mon State	1	23% "	
				2	38% "
STANOLIND OIL-GAS	Cooper	Meyers A	1-5	water	
		" B	1-2	Gas to lift Meyers A	
	Eaves	Farnsworth A2	4	water	
		"	1	Gas to lift A 2-4	
			5	Gas to El Paso	
		"	B 2-3	"	
	Langlie	Langlie A	1	Gas-domestic	
	Hobbs	State A "1"	11	Gas to Hobbs	
		Thorpe	26	"	
		Turner "2"	29	"	
		State A "5"	26	"	
	S. Lovin.	State E	1	Gas for drlg.	
	Jal	Gregory A	22	Gas for El Paso	

<u>COMPANY</u>	<u>FIELD</u>	<u>LEASE</u>	<u>WELL</u>	<u>REMARKS</u>
STANOLIND	Jal	Gregory B	1	Gas for El Paso
		" C	1	"
TEXAS CO.	Jal	Shepherd B	2	water
		Cagle B	2	Gas to El Paso
	Rhodes	Rhodes A	1-2	"
	Cooper	Ogg A	1-5	water
		" B	1-2	"
	Eunice	Rector	1-4	"
	Lynch	State A	1-4	"
TWO STATES OIL CO.	Eunice Monument	Atha	1	water
		Echeverry	1-2	"
WESTERN GAS CO.	Cooper	Mathins	1	Gas to El Paso
	Mattix	Harrison	2-4	"
W.K. ROYALTY CO.	Artesia	State B	1-2	Gas for domestic
WOODLEY PET. CO.	Langlic	Cook	1	water

PERMITS TO RUN OIL

On August 17, 1939 at 7:00 A.M. when Order No. 196 went into effect several companies had oil in storage that was produced prior to August 17, 1939. The Oil Conservation Commission granted permission to all pipe line companies to move this oil during the shut-in period. The total amount of storage oil moved was 76,557 barrels, of which 34,158 barrels came from the Magnolia Oil Company's tank in the Vacuum Area and was oil produced between December, 1937 and April, 1938, which could not be moved before August 17, 1939, due to overcrowded pipe line facilities.

Also, some of the wells that were permitted to operate during the shut-in period did not have adequate storage, so the Oil Conservation Commission granted them the necessary permission to move such oil as necessary to facilitate operations. This oil to be deducted from their allowables during the following proration periods. The total amount of oil moved under these permits was 11,593 barrels. Permits were issued to the following companies:

TABLE OF PERMITS TO MOVE OIL BY COMPANIES

COMPANY	FIELD	LEASE	AMOUNT
AMERADA PET. CORP.			
Cooper		Everett	562 bbls.
CONTINENTAL OIL CO.			
Jal		Wells A-11	1 500 bbls.
Cooper		Vaughn A-15	1 500 "
Monument		Britt B-10	1-2 500 "
Hobbs		State A-5	1 500 "
Monument		State A-7	1 200 "
		Sanders. B-10	2-3 500 "
GULF OIL CORP.			
Hobbs		N. Grimes	4 800 bbls.
Eunice		Butler	1 650 "
		Felton	1 500 "
Eaves		V. Ramsey	1 250 "
		"	250 "
Langlie		Shahan	1 500 "
ME-TEX			
Artesia		State	1 500 bbls.
REPUBLIC PROD. CO.			
Langlie		Crosby	500 bbls.
SKELLY OILCO.			
Hobbs		State A	1 500 bbls.
Monument		Monstate	1-2 500 "
Jal		Joyner	1 500 "
STANOLIND OIL & GAS CO.			
Eaves		Farnsworth A	1000 bbls.
Hobbs		Thorpe	26 500 "
Cooper		Mdyers	1500 "
Langlie		Langlie A	1000 "
THE TEXAS CO.			
Cooper		Ogg B	225 "
		" A	1323 "
Eunice		Rector	788 "
SAM WEINER			
Langlie		Smith	500 "

Permits total 15,548 bbls. oil
Actual runs 11,593 bbls. oil

RECAPITULATION TABLES

TABLE NO. 1

EXCEPTIONS TO ORDER NO. 196

Total wells in State - - - - -	3,100
Total wells excepted - - - - -	203 or 6.55 %
Total wells excepted for water - - - -	168 or 5.42 %
Total wells excepted for gas - - - - -	35 or 1.13 %

TABLE NO. 2

CRUDE OIL RUNS 8-17-39 TO 9-1-39

PIPE LINE OR RFG. CO.	OIL PROD. BEFORE 8-17-39	PERMITS		TOTAL OIL RUN
		OIL PRODUCED AFTER 8-17-39		
ATLANTIC P.L.	19,178	1,834		21,012
SHELL P.L.	1,120	2,903		4,023
TEXAS-NEW MEXICO	44,910 *	4,638		49,548 *
HUMBLE P.L.	9,162	1,019		10,181
GULF P.L.	400	836		1,236
GULF OIL CORP.		363		363
WARREN RFG. CO.				
NEW MEXICO P.L.				
MURCH. & CLOSUIT				
VALLEY RFG.	1,111			1,111
TRIANGLE RFG.				
PECOS DIAMOND RFG	676			676
TOTAL	76,557*	11,593		88,150*

* = 34,158 barrels in tank storage Vacuum Area produced between December, 1937 and April, 1938. This oil could not be moved before this date due to lack of pipe line facilities.

As Order No. 196 was emergency order for the fifteen day period August 17, 1939 to September 1, 1939 and under the state law no extension could be made without holding a hearing; therefore, on August 31, 1939 the Oil Conservation Commission met in Santa Fe, N.M. and considered the suspension of production for such further period that should be necessary. The Commission at the conclusion of this hearing issued Order No. 197 restoring normal production of crude oil in the State of New Mexico.

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:

THE SUSPENSION OF PRODUCTION OF CRUDE
PETROLEUM IN NEW MEXICO FOR SUCH FURTHER
PERIOD AS MAY BE NECESSARY (UPON THE
EXPIRATION OF EMERGENCY ORDER NO. 196 OF
THE NEW MEXICO OIL CONSERVATION COMMISSION
OR ANY MODIFICATION THEREOF) IN ORDER TO
PREVENT WASTE.

CASE NO. 08

ORDER NO. 197

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing August 31, 1939, at Santa Fe, New Mexico, with reference to the above designated matter.

The Commission considered the testimony adduced and the oral motion before the Commission for the dismissal of the proceedings herein and the restoration of production to normal allowable, there being no objection raised before the Commission by those appearing at the hearing herein, and it appearing to the Commission that stocks of crude petroleum are reduced to the point wherein a normal allowable of crude petroleum would not at this time be in excess of reasonable market demand so as to result in waste.

IT IS THEREFORE ORDERED that the proceedings herein be dismissed without prejudice and that normal production of crude petroleum be allowed by the Commission to begin at seven o'clock A.M. September 1, 1939, the expiration time of Emergency Order No. 196.

OIL CONSERVATION COMMISSION

Sgd. John E. Miles, Governor State of N.M.
Frank Worden, Land Commissioner
A. Andreas, State Geologist

This report respectfully submitted,

Glenn Staley
Lea County Operators Committee

Roy Yarbrough
Oil & Gas Inspector