

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. 19.

THE ADOPTION OF REGULATIONS GOVERNING  
GAS-OIL RATIOS IN THE VARIOUS PRODUCING  
FIELDS IN NEW MEXICO.

ORDER NO. 250.

ORDER OF THE COMMISSION  
REGULATING AND PRESCRIBING MAXIMUM  
GAS-OIL RATIOS FOR THE VARIOUS FIELDS  
OF THE STATE OF NEW MEXICO, AND VACATING  
GAS-OIL RATIO ORDER NO. 238.

BY THE COMMISSION:

WHEREAS, pursuant to the hearing in this cause held on the 9th day of December, 1939, in the Chamber of the House of Representatives in the Capitol, Santa Fe, New Mexico, the Commission on the 13th day of January, 1940, adopted gas-oil ratio order No. 238 of a temporary nature in this, to-wit: Simultaneously with the adoption of said order, the Commission adopted Order No. 236 continuing this cause to Monday, March 4, 1940, at ten o'clock A. M. at the Capitol, Santa Fe, New Mexico, for the purpose of presenting to the Commission the objections which any party in interest may have as to said Order, in order that it may be revised as the exigencies may require.

WHEREAS, said continued hearing was opened on March 4 at the hour and place as indicated hereinabove, and upon oral motion presented to the Commission said hearing was further continued to ten o'clock A. M., Tuesday, March 5, 1940, and was accordingly held on said date and at said hour in the Chamber of the House of Representatives.

NOW, on this 27th day of March, 1940, the Commission having before it for consideration the evidence adduced at said recessed

hearing in said case and being fully advised in the premises, the Commission finds that before promulgating a final order governing gas-oil ratios, a further order of temporary nature is advisable, pending the completion of the gas-oil ratio survey now in progress under the supervision of the Commission pursuant to Order No. 237 prescribing rules and regulations for gas-oil ratio surveys promulgated in this cause, and the securing of additional field data incident to such gas-oil ratio survey, and therefore makes reservation herein for the issuance of a final order in this cause and promulgates as such further temporary order the following regulations governing gas-oil ratios in the various producing fields of the State of New Mexico, as follows:

1. This order is effective from April 1, 1940, until a final order in this cause is adopted and on April 1, 1940, the order herein vacates and sets aside said gas-oil ratio order No. 238.

2. The system of gas-oil ratio control in the State of New Mexico shall be known as that of volumetric control, which penalizes the unit of production for exceeding the maximum gas volume established for each field by decreasing its monthly allowable in accordance with the formula as provided hereinafter.

3. The maximum gas-oil ratio assigned to each field in New Mexico is listed below:

| <u>FIELD</u>          | <u>RATIOS</u> |
|-----------------------|---------------|
| Arrowhead . . . . .   | 5,000         |
| Cooper . . . . .      | 10,000        |
| Eaves . . . . .       | 7,000         |
| Eunice . . . . .      | 7,000         |
| West Eunice . . . . . | 2,000         |
| Halfway . . . . .     | 2,000         |
| Hardy . . . . .       | 5,000         |
| Hobbs . . . . .       | 4,000         |
| Jal . . . . .         | 10,000        |
| Langlie . . . . .     | 7,000         |
| Lynch . . . . .       | 2,000         |
| Lynn . . . . .        | 5,000         |
| Mattix . . . . .      | 7,000         |
| Monument . . . . .    | 6,000         |
| N. Lynch . . . . .    | 2,000         |

| <u>FIELD</u>              | <u>RATIOS</u> |
|---------------------------|---------------|
| N. Penrose . . . . .      | 7,000         |
| Rhodes. . . . .           | 2,000         |
| Skaggs. . . . .           | 5,000         |
| Skelly. . . . .           | 7,000         |
| S. Eunice . . . . .       | 7,000         |
| S. Lovington. . . . .     | 2,000         |
| S. Penrose. . . . .       | 7,000         |
| Vacuum. . . . .           | 2,000         |
| Artesia . . . . .         | 2,000         |
| Grayburg-Jackson. . . . . | 4,000         |
| High-Lonesome . . . . .   | 2,000         |
| Leonard . . . . .         | 2,000         |
| Loco Hills. . . . .       | 2,000         |
| Maljamar. . . . .         | 4,000         |
| N. Maljamar . . . . .     | 4,000         |
| Red Lakes . . . . .       | 2,000         |
| Robinson. . . . .         | 2,000         |
| Shugart . . . . .         | 2,000         |
| Barber. . . . .           | 2,000         |
| Getty . . . . .           | 2,000         |

4. Any oil producing unit with a net gas-oil ratio in excess of the assigned maximum for the field in which it is situated as listed in the table above shall be allowed to produce daily a total volume of oil which, when multiplied by the gas-oil ratio of the unit will result in a total gas volume that does not exceed the allowance per top allowable unit as fixed in the current monthly proration schedule of the Commission for the field in which the unit is situated times the gas-oil ratio for said field. Provided, that nothing herein contained shall have the effect of increasing the oil allowable of any unit above that fixed in the current proration schedule.

5. All units to which gas-oil ratio corrections are applied shall be so indicated in the proration schedule.

6. A marginal well shall be permitted to produce the same total volume of gas which it would be permitted to produce if it were a non-marginal well.

7. In the event that gas-oil ratios are not reported for any unit, then that unit will be ommitted from the proration schedule.

8. The gas-oil ratio used in calculating penalties for any producing unit shall be those reported immediately prior to the beginning of the proration period on form C-104A or those measured under the supervision of the Oil Conservation Commission.

9. For the purpose of establishing limiting gas-oil ratios the pool designation and boundaries now used by the Commission and Proration Office shall be continued, except: That a new pool area, ARROWHEAD, is designated comprising parts of the former Eunice, South Eunice and Penrose pools and described as follows: E/2 Sec. 34; all Sec. 35 and 36, T. 21S., R. 36 E; also E/2 Sec. 3 and 14 and all Sec. 1, 2, 11, 12, 13 and 24, T. 22S., R. 36E; and NW/4 and S/2 Sec. 7, W/2 Sec. 17 and 20; all Secs. 18 and 19, T. 22 S., R. 37 E., and that a SOUTH PENROSE and NORTH PENROSE pool be formed by dividing the present Penrose Pool, the limits of each being described as follows: NORTH PENROSE All Sec. 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15 and 16 and NE/4 Sec. 7; also E/2 Sec. 17, T. 22 S., R. 37 E. SOUTH PENROSE All Sec. 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 and E/2 Sec. 20, T. 22 S., R. 37 E., all in Lea County, New Mexico.

10. Within the discretion of the Commission, exceptions may be granted to gas-oil ratio order No. 250 where in particular instances palpable inequities are apparent under the provisions of said order, or where actual waste is not being committed so as to warrant the application of said order. Within the discretion of the Commission, relief may be granted from absurd, unreasonable and unintended effects resulting in definite instances in carrying out the provisions of said order. Any such exception or relief granted may continue until modified or rescinded as may appear advisable in the discretion of the Commission.

11. Any such exception or reliefs granted by the Commission prior to the effective date of this order are hereby ratified, confirmed and continued until otherwise modified or rescinded as provided herein.

DONE at Santa Fe, New Mexico, on the date hereinabove indicated.

NEW MEXICO OIL CONSERVATION COMMISSION

By *Frank Worden*  
Commissioner of Public Lands

By *R. Andrew*  
State Geologist