

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GAS-OIL RATIO ADJUSTMENT.

EMERGENCY ORDER NO. 259.

EMERGENCY ORDER OF THE COMMISSION

BY THE COMMISSION:

WHEREAS, in connection with Gas-Oil Ratio Order No. 250, it appearing to the Commission that said order should be supplemented in order more nearly to serve justice and equity, an emergency is hereby declared.

IT IS THEREFORE ORDERED by the Commission as follows:

(a) The oil allocation shall be distributed to the various pools in the same manner used prior to February 1, 1940.

(b) In each pool, except Hobbs and Monument, the total amount of oil allocated to marginal units not subject to the gas-oil ratio adjustment shall first be subtracted from the pool total oil allocation. Each remaining unit shall be given a percentage rating the value of such rating depending upon its gas-oil ratio. Each unit having a gas-oil ratio equal to or less than the maximum permitted that pool shall be rated at 100. The rating of units having a gas-oil ratio in excess of the permitted maximum shall be calculated according to the following fraction:

$$\text{rating} = \frac{\text{pool maximum gas-oil ratio} \times 100}{\text{unit gas-oil ratio}}$$

The remaining oil shall be distributed to each remaining unit in the ratio that the rating of each unit bears to the sum of all ratings in the pool. For clarity is the following example:

GAS-OIL RATIO PLAN - EXAMPLE

CONTINENTAL PROPERTIES

EUNICE POOL

MARGINAL WELLS	WELL	NO. WELLS	RATING	MARG. ALLOW.	CURRENT ALLOW.	
Meyer B-8	1	1		38	38	4412 Total company allocation
						38 Total unadjusted marginal allow.
						<u>4374</u>
NON-MARGINAL HIGH GAS-OIL RATIO WELLS						
Lock. A-18	4	1	59.508	X Factor	28	
Meyer B- 8	3	1	75.373	"	35	
State D-15	7	1	76.943	"	36	
Lock. B-31	1	1	15.992	" 10	7	
"	2	1	38.474	" 40	18	
			<u>266.290</u>			
NON-MARGINAL WELLS		91	9100	--	4277	47 bbls. per day
Total		<u>97</u>	<u>9366.290</u>		<u>4439</u>	
					<u>4412</u>	
					27	over allocated due to fractional bbls.

$$4374 \div 9366.290 = .4669 \text{ factor}$$

(c) In the Hobbs and Monument Pools the proration schedule shall be calculated in the normal manner according to the order of the Commission for that field. Each unit having an allowable equal to or less than the average allowable for the pool shall be allowed to produce an amount of gas equal to the product of the permitted maximum gas-oil ratio of the pool multiplied by the average allowable; provided that a unit, the oil allowable of which has been penalized by high gas-oil ratio shall not exceed the allowable as determined by the proration formula for that particular field.

Any unit having an allowable greater than the average unit allowable for that field shall be allowed to produce only that amount of gas determined by the product of the permitted maximum gas-oil ratio and the oil allowable assigned to it by the proration formula for

From the pool allocation shall be deducted the amount of oil allocated to marginal and wells penalized for high gas-oil ratio. The remaining oil shall be distributed to the remaining unpenalized wells in accordance with the pool proration plan.

(d) It is further ordered by the Commission that the descriptions of the ARROWHEAD, NORTH PENROSE and SOUTH PENROSE Pools as outlined in said gas-oil ratio order No. 250 for gas-oil ratio purposes be and are hereby adopted also for the purposes of proration.

(e) This emergency order shall endure for the first half of the monthly proration period of May 1, 1940, to May 15, 1940, and suspends for its duration any other order in so far as there is any conflict.

DONE at Santa Fe, New Mexico, this 29th day of April, 1940.

NEW MEXICO OIL CONSERVATION COMMISSION

By Frank Worden
Commissioner of Public Lands

By A. Andreas
State Geologist