

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. 39
ORDER NO. 538

THE APPLICATION OF THE NEW MEXICO OIL
CONSERVATION COMMISSION, UPON ITS OWN
MOTION, FOR A STATE-WIDE PRORATION ORDER
TO REPLACE ORDER NO. 1, GENERAL PRORATION
ORDER, AND THE AMENDATORY ORDER THERETO
NO. 45.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., April 27, 1943, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 22 day of June, 1943, 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:

F I N D I N G S

I. That the order herein is reasonable and necessary for the purpose of: the prevention of waste as defined by the basic Oil Conservation Act, Chapter 72, Laws of New Mexico 1935, the broadening of the scope of the previous Order No. 1, General Proration Order, Order No. 45, and meeting new situations brought about by the Connally Act (Act of Congress 2-22-35, 49 Stat. 30).

IT IS THEREFORE ORDERED:

That the Order herein shall be known as the:

STATE-WIDE PRORATION ORDER

1. (a) The unit of proration shall consist of 40 acres or lot in accordance with the legal sub-divisions of the United States Public Lands Surveys, on which is at least one producing well. No well shall be drilled closer to any unit boundary line than 330 feet or less than 660 feet from any other well except upon petition, notice and hearing as provided by law, provided such unorthodox well location will create neither waste nor hazards conducive to waste.

(b) A marginal unit is a unit that will not produce the top unit allowable for the field.

(c) A non-marginal unit is a unit that will produce the unit top allowable for the field.

(d) The top unit allowable for the purpose of making allocations to the respective fields and for the purpose of distributing or prorating the field allocations to the units within the field, except for those fields having proration plans of their own, shall be as defined in the computation for making allocations to fields as set out in Section 2 hereinbelow.

(e) The proration month shall be the calendar month which shall begin at 7 A.M., on the first day of such month.

2. (a) The total allowable for fields in Lea and Eddy counties shall be in terms of total barrels daily for each calendar month and shall be allocated to the respective fields by the following computation:

(b) From the total allowable shall be deducted the sum of the allowables for all marginal units. The remainder shall be equally divided among the non-marginal units; any fraction of a barrel shall be regarded as a full barrel. The quotient thus resulting shall be the top unit allowable. The sum for all marginal units plus the sum of the top allowables for all non-marginal units in each field shall constitute the allocation for each field.

(c) Thereupon the allocation to each field shall in turn be prorated or distributed to the respective units in each field in accordance with the proration plan of the particular field where any such plan exists. Where no proration plan for any field exists, then the field allocation shall be distributed or prorated to the respective marginal and non-marginal units therein as determined in (b) herein next above.

(d) At the beginning of each calendar month the distribution or proration to the respective units in each field shall be changed in order to take into account all new wells which have been completed and were not in the proration schedule during the previous calendar month. Where any well is completed between the 1st and 16th of the calendar month, its unit shall be assigned an allowable, in accordance with whether such unit is marginal or non-marginal, beginning at 7 A.M., on the 16th and for the remainder of that calendar month.

3. Fields in counties, other than Lea and Eddy, shall be permitted to produce their market demand as long as such can be done without waste.

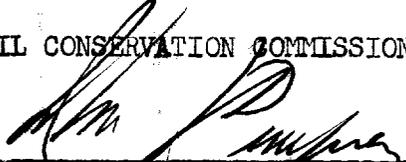
4. The Order herein replaces Order No. 1, General Proration Order, its amendatory Order No. 45, and Order No. 413, Eddy County Fields Proration Order. Order 235, the Proration Schedule Order, is retained as supplemental to the order herein.

5. Reservation of jurisdiction of this case is made herein for the purpose of promulgating a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only 10 barrels or less daily of crude petroleum, in lieu of ratable purchases or takings, in order to preclude premature abandonment of such wells.

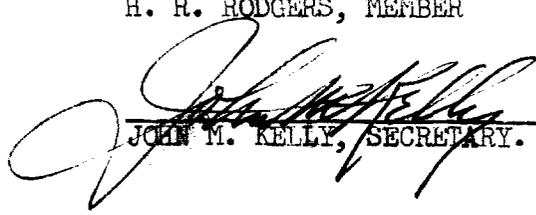
That this order shall become effective on the first day of the proration month next succeeding the month in which said Order is adopted.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN M. KELLY, SECRETARY.

SEAL

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. 39
ORDER NO. 539

THE APPLICATION OF THE NEW MEXICO OIL
CONSERVATION COMMISSION, UPON ITS OWN
MOTION, FOR A FURTHER ORDER AUTHORIZING
AND DIRECTING ANY COMMON PURCHASER TO
TAKE OR PURCHASE 100% FROM WELLS WHICH
PRODUCE ONLY TEN BARRELS OR LESS DAILY
OF CRUDE PETROLEUM, IN LIEU OF RATABLE
PURCHASES OR TAKINGS IN ORDER TO PRECLUDE
PREMATURE ABANDONMENT OF SUCH WELLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock A.M., April 27, 1943,
at Santa Fe, New Mexico, before the Oil Conservation Commission of the State
of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 22nd day of June, 1943, the Commission having before it
for consideration the testimony adduced at the hearing of said case and
being fully advised in the premises;

IT IS THEREFORE ORDERED:

1. That any common purchaser is authorized and directed to make 100
percent purchases from wells of settled production producing ten barrels or
less daily of crude petroleum within its purchasing area and ordinarily
served by it in lieu of ratable purchases or takings, in order to preclude
premature abandonment.

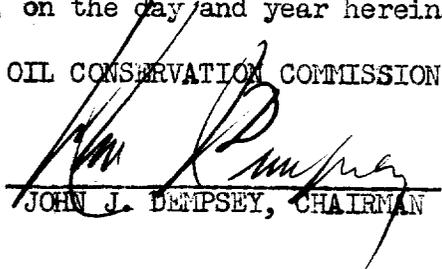
PROVIDED, HOWEVER, where such purchaser's takings are curtailed
below ten barrels daily of crude petroleum, then said purchaser is
authorized and directed to purchase equally from all such wells within
said area and ordinarily served by it regardless of their producing ability
insofar as they are capable of producing.

2. Reservation of jurisdiction in this case is made herein for a
State-wide proration order to replace Order No. 1, General Proration Order,
and the amendatory order thereof, No. 45.

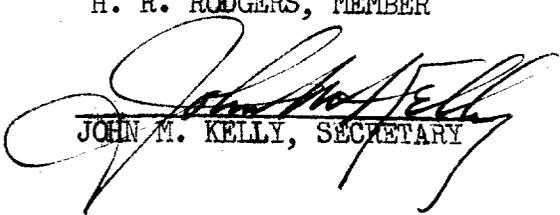
3. That this order shall become effective on the first day of the
proration month next succeeding the month in which said order is adopted.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN M. KELLY, SECRETARY

SEAL