

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. 49

ORDER NO. 562

THE APPLICATION OF LOCO HILLS PRESSURE
MAINTENANCE ASSOCIATION, INC., FOR AN ORDER
COVERING THE LOCO HILLS FIELD, EDDY COUNTY,
WHICH IS TO INCLUDE: 1. BASIC ALLOWABLE; 2.
GAS-OIL RATIOS; 3. PRESSURE MAINTENANCE PLAN
EMBRACING PROVISIONS FOR IN-PUT WELLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., February 10, 1944, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 24th day of March, 1944, 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:

That the order herein shall be known as the:

"LOCO HILLS PRESSURE MAINTENANCE PLAN ORDER"

SECTION 1. (a) The project herein shall be known as the Loco Hills Pressure Maintenance Plan and shall hereinafter be referred to as the Project.

(b) The Loco Hills Pressure Maintenance Association, Inc., shall hereinafter be referred to as the Association.

SECTION 2. That the Project area shall be:

Township 17 South, Range 29 East: S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 32, S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 35, and S $\frac{1}{2}$ of Section 36.
Township 17 South, Range 30 East: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, and S $\frac{1}{2}$ of Section 31 and W $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 32.
Township 18 South, Range 29 East: All of Sections 1, 2, 3, 4, 5 and E $\frac{1}{2}$ of Section 6, all of Sections 8, 9, 10, 11, N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 12, N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 14, NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 15, N $\frac{1}{2}$ of Section 16, and the N $\frac{1}{2}$ of Section 17.
Township 18 South, Range 30 East: N $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5, all of Section 6, and W $\frac{1}{2}$ of Section 7.

SECTION 3. (a) That the input wells now in use and hereby authorized are as follows:

Premier Pet. Corp.	Besson F-7	NENE 31-17-30
Aston & Fair	Scheurich St. 4	NESW 32-17-30
Franklin Pet. Corp.	Coppedge 4	NWNE 5-18-30
Franklin Pet. Corp.	Yates 6	SWNE 6-18-30

Yates, et al	Yates 1	NWSW 6-18-30
Franklin Pet. Corp.	Ballard B-1	NWNE 1-18-29
Sallee & Yates	State 4	NWNE 2-18-29
Continental Oil Co.	State M-2	SESE 2-18-29
Continental Oil Co.	Travis 1	SESE 3-18-29
S. P. Yates	Brainard 3	NESW 3-18-29
Sanders Bros.	Guy P-1	NENE 9-18-29
Sanders Bros.	Miller 1	NENE 5-18-29
Me-Tex	Yates 3	NWSE 5-18-29
Gordon Cone	Langford 1	NWSW 9-18-29
Stroup & Yates	Travis 4	NENW 17-18-29

(b). That the use of any of said input wells may be discarded with consent of the Commission, and, with the approval of the respective well owners, the Association, through its secretary or other authorized agent, may select other input wells within the Project area by application to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

(c) That any gas well within the Project with the consent of the owner may be used for cycling in the project upon application by the Association, through its secretary or other authorized agent, to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

SECTION 4. That the top unit allowable rate of withdrawal of crude oil per day per proration unit, including back allowables within the Project area, shall be not less than 20 barrels nor over 40 barrels. The Association, through its secretary or other authorized agent, not later than the 25th of the month, shall make application to the Commission for its approval for the maximum rate of withdrawal within the limits named for the ensuing proration month. Such application shall be considered and acted upon by the Commission administratively without further notice and formal hearing thereupon.

SECTION 5 (a). That the limiting gas-oil ratio in cubic feet per barrel for the Loco Hills Field shall be 2000.

(b) That the system of gas-oil ratio control shall be of volumetric control whereby the current oil allowable for a proration unit under any applicable proration order is adjusted by reason of exceeding said limiting ratio in accordance with the following formula:

(c) Any proration unit with a gas-oil ratio in excess of said limiting ratio shall be permitted to produce daily that total volume of oil which, when multiplied by the gas-oil ratio of that unit, will result in a total gas volume that does not exceed the current top unit allowable times said limiting gas-oil ratio.

(d) A marginal unit, even though it be a gas 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 unit.

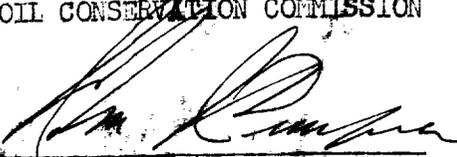
(e) The production of gas from a gas well for cycling as provided in 3(c) above is excepted from this section.

SECTION 6. That the following orders are hereby repealed: 339, 540, 484 and order 250 insofar as said latter order is in conflict with the order herein.

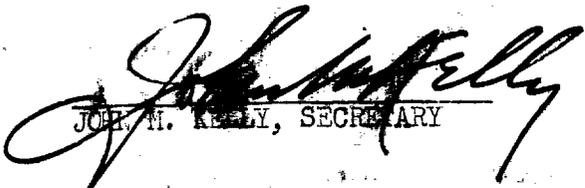
SECTION 7. That this order shall become effective on the first day of the proration month next succeeding the month in which said order is adopted.

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

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

E. R. RODGERS, MEMBER


JOHN H. KELLY, SECRETARY

SEAL