

FOR: Col. Harrison

PROTEST

In the Matter of the Application of the Oil Conservation Commission to conform with the Provisions of Chapter 168 of the New Mexico Laws of 1949 and to consider committee recommendations and to take testimony in the premises.

Before the Oil Conservation Commission of the State of New Mexico Case No. 189

Carbonic Chemicals Corporation protests:

1. The inclusion of the carbon dioxide industry for regulation within the general rules and regulations for the conservation of oil and gas in the State of New Mexico as are now being proposed in the above entitled and numbered matter now pending and that said industry should be specifically excluded therefrom by a separate rule which might be numbered 9 and made to read as follows:

RULE 9. NOT APPLICABLE TO CARBON DIOXIDE.

None of the following rules shall apply to the production, processing or otherwise dealing with carbon dioxide, unless and until, after a full hearing with ample notice thereof to the carbon dioxide industry, such rule or rules shall be found necessary and specifically adopted for application to such industry.

2. That proposed rule number 407 should not be adopted and should be specifically stricken from the proposal.

As grounds for this protest, we call the Commission's attention to the fact that the carbon dioxide industry was specifically omitted from the call and notice of the hearing as published and the proposal has by accident just come to the attention of this protestant long after what appears to have been a preliminary hearing on the proposed regulations. Even a cursory reading of the proposed regulations indicates to anyone familiar with the carbon dioxide industry that many, if not most, of such proposed rules are entirely unfitted for application to that industry and proposed rule number 407

undertaking to make all these rules "insofar as is applicable  
----also apply to carbon dioxide, carbon dioxide wells, carbon  
dioxide reservoirs, etc.;" and if adopted would leave the carbon  
dioxide industry in continual doubt as to whether any given rule  
might be held to be applicable to that industry and would also  
leave the industry in continuous danger of innocently violating  
some rule which the Commission might later determine to be  
applicable. It is thought that the safe thing to do is to be  
specific in these proposed regulations in omitting the carbon  
dioxide industry from them entirely and that some such rule as  
that proposed above as number 9 would be effective to that end.  
Then after the oil and gas industry have had their hearing in  
which the carbon dioxide industry would have little interest,  
if the Commission feels it necessary or advisable, a later con-  
ference with our industry could be called and conducted. In  
such a conference the petroleum industry would have little or  
no interest.

Respectfully submitted,

CARBONIC CHEMICALS CORPORATION

By R. L. Harrison  
Secretary  
Vice President

**STANOLIND OIL AND GAS COMPANY**

FAIR BUILDING

**FORT WORTH, TEXAS**

December 2, 1949

JOHN R. EVANS  
DIVISION MANAGER2  
0*Rule Case*

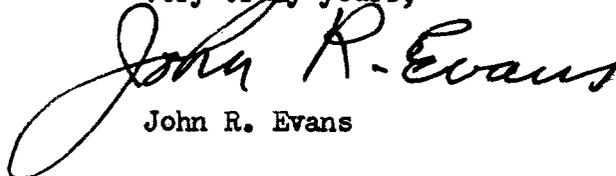
Mr. R. R. Spurrier  
Oil and Gas Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

A copy of Mr. Paul H. Umbach's letter of November 9, 1949, to you has been referred to my attention. In this letter, he explains the vote taken by the San Juan Basin Operators Committee on gas well spacing in the San Juan Basin. I have been advised that Mr. Dudley Cornell, Chairman of the San Juan Operators Committee, had stated at the hearing before the Commission on November 1, 1949, that the members of the Operators Committee were unanimously in favor of less than 640 acre spacing.

In view of the misunderstanding which appears to have occurred, I should appreciate it very much if you would make Mr. Umbach's letter to you a part of the record of the hearing which was held at Santa Fe on November 1, 1949. We have already expressed the position of our Company with reference to well spacing by means of a letter dated November 10, 1949, from our Mr. C. F. Bedford.

Very truly yours,



John R. Evans

These Rules and Regulations shall become effective at 7 A.M. on \_\_\_\_\_. An exception from these Rules and Regulations is hereby granted for a period of twenty days from said effective date, however, as to all ~~so~~ presently existing oil and/or gas wells that have been in the past, and are presently, operated <sup>or the products thereof utilized,</sup> in a manner differing from the requirements hereby <sup>but in compliance with former rules of the Commission:</sup> If, during said twenty day period, the operator of any such well files with the Commission an application for a permanent exception for such well or wells from the requirements of these Rules and Regulations, the temporary exception hereby granted shall continue in force until such time as the Commission has heard and has issued its order on such application for permanent exception.

**DEFINITIONS.**

**SOUTHERN UNION GAS CO. (Willis Lea)**

**Adjusted Allowable:** Change to read as follows: "shall mean the allowable production a well or proration unit receives after all adjustments are made."

This change would permit back allowable adjustments and any other adjustments authorized by the statute.

**Allocated Pool:** Insert "or proration units" after "various wells".

**Allowable Production:** Add "or from the respective wells or proration units therein" after "allocated pool."

**Back Allowable:** Insert "well" after "given".

**Breadhead Gas Well:** Delete the word "underlying" and add "tapped by the same well bore" after "reservoir".

**Common Purchaser for Natural Gas:** Substitute "a" for "each", and delete "from which it purchases." Add "et seq," after statutory reference "Section 14(d)".

These changes are suggested in order to conform with definition for Common Purchaser for Oil and to be grammatically correct.

**Common Purchaser For Oil:** Add "et seq," after statutory reference "Section 14 (a)".

**Cubic Foot of Gas or Standard Cubic Foot of Gas:** Substitute "15.025 pounds per square inch absolute" for ten (10) ounces per square inch above the average barometric pressure of 14.4 pounds per square inch (15.025 p.s.i.a.).

**Gas-Oil Ratio:** Insert "casinghead" after "ratio of the".

**Gas-Oil Ratio Adjustment:** Insert "proration" after "high gas-oil ratio".

**Gas Well:** Change to read as follows: "shall mean a well producing natural gas from a pool classified by the Commission as a gas pool (except to the extent that the Commission expressly finds particular well(s) therein to be oil well(s) and any other well which the Commission finds to be a gas well."

**Illegal Gas:** Change to read as follows: "shall mean natural gas produced from a gas well in excess of (1) the allowable production as determined by the Commission, plus (2) any additional quantities authorized pursuant to the statute to be produced. (See: Sec. 15(a), Chap. 168, 1949 Session Laws).

**Illegal Oil:** Insert "production" after "allowable" and change the reference to "Sec. 15 (a)".

**Illegal Product:** Delete "of" and insert "derived in whole or in part from" after "product".

**Minimum Allowable:** Insert", and authorized by the Commission," after "from time to time".

**Multiple Completion:** Change heading to "Multiple Zone Completion" and insert a comma (,) after "supply".

DEFINITIONS (CONTINUED) SOUTHERN UNION GAS CO. (Willis Lea)

The change in heading is suggested in order to conform with Rules 112 and 304.

Natural Gas or Gas: Insert "gas or" after "combustible", and insert ", or both gas and vapor," after "vapor".

Delete everything after "naturally" and add "underground stratum, which is produced from a well classified by the Commission as a gas well."

Official Gas-Oil Ratio Tests: Insert "or direction" after "order".

Oil Well: Change to read as follows: "shall mean a well producing oil from a pool classified by the Commission as an oil pool (except to the extent that the Commission expressly finds particular well(s) therein to be gas well(s) and any other well which the Commission expressly finds to be an oil well."

Overage or Over Production: Insert "by a given well or proration unit" after "produced."

Producer: Add reference as follows: (See: Sec. 26(f), Chap. 168, 1949 Session Laws.)

Proration Period: Delete the word "succeeding".

Shortage or Under Production: Insert "well or" after "given".

Top Unit Allowable for Gas: It is suggested that this definition be deleted because there is no reason for a top unit allowable for gas. If the definition is not deleted, we suggest that "well" be substituted for "producing unit".

Top Unit Allowable for Oil: Substitute "proration" for "calendar".

Unit of Proration For Gas: Add "(or proration unit)" after "Proration" in heading.

Unit of Production for Oil: Add "(or proration unit)" after "Proration" in heading. Make provision for "Lots" consistently with provisions of Rule 104 as adopted.

## DEFINITIONS

Bottom Hole or Subsurface Pressure shall mean the gauge pressure in pounds per square inch under conditions existing at or near the producing horizon.

Casinghead Gas shall mean any gas or vapor, or both gas and vapor, indigenous to and produced from a pool classified as an oil pool by the Commission. This also includes gas-cap gas produced from such an oil pool.

Deep Pool shall mean a common source of supply which is situated 5000 feet or more below the surface.

Gas Lift shall mean any method of lifting liquid to the surface by injecting gas into a well from which oil production is obtained.

High Gas-Oil Ratio Proration Unit shall mean a unit with at least one producing oil well with a gas-oil ratio in excess of the limiting gas-oil ratio for the same pool.

Multiple Completion shall mean the completion of any well so as to permit the production from more than one common source of supply with the production from such common sources of supply completely segregated.

Shortage or Under Production shall mean the amount of oil or the amount of natural gas during a proration period by which a given proration unit failed to produce an amount equal to that authorized on the proration schedule.

Shut-in Pressure shall mean the gauge pressure in pounds per square inch at the well head when the well is completely shut in. Not to be confused with bottom hole pressure.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

**GENERAL COMMENT:**

The last draft of the tentative general rules did not include a section on orders and rules rescinded. However, it is assumed that the final order will include such a list. Considerable care should be exercised in preparing this list since some necessary portions of such orders may have been overlooked as was done in the last two paragraphs of Rule 312 or that certain portions might be desirable to retain as separate orders.

GULF OIL CORPORATION  
S. G. Sanderson

**GENERAL COMMENT:**

That part of this draft entitled "General Rules Relating to CO<sub>2</sub> Gas in New Mexico" should appear in the "Appendix" rather than in the body of the rules and regulations.

It was pointed out that in the last paragraph of the "Special Rules and Regulations for the Bayeros Field, Harding County, New Mexico", pertaining to "Production Casing String" - - - the operator drill more than two-thirds of the distance through the horizon from which he intends to produce - - this seems rather questionable.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

**GENERAL COMMENT:**

Provision should be added specifically saving special rules and regulations of the Commission which it is intended will remain in effect.

A provision should be added affording to all operators a period of grace within which they may comprehend and commence to comply with the new rules. Probably this would be best accomplished by a provision fixing an effective date a specified period after adoption of the Commission's order.

Appendices A et seq., will have to be prepared and attached.

SOUTHERN UNION GAS COMPANY

Willis Lee

**RULE 2.** Promulgation of Rules, should be amended to conform with the statute. The law specifies the manner in which notice of hearing is to be given and the necessary information to be contained therein. The Commission is bound by the statute in the manner of notice and can only prescribe within statutory limitations.

**MAGNOLIA PETROLEUM COMPANY**

**William E. McKellar, Jr.**

**RULE 2:** Insert "revocation" after "including" and substitute "extension" for "exception" in the first line to comply with Section 17 of the Act. Also delete the phrase, "under the provisions of Rule 1," in the third line to prevent unnecessary limitation on the Commission.

Add the following: "The Commission may grant exceptions to these rules, after notice and hearing, when the granting of such exceptions will not result in waste but will protect correlative rights or prevent undue hardships."

**SOUTHERN UNION GAS CO.**

**Willis Lea**

**RULE 3:**

Change heading to conform with heading for Rule 2, as follows:  
"Promulgation of Emergency Rules, Regulations or Orders" and  
insert "revoking" after "making" in the second line.

SOUTHERN UNION GAS CO.  
Willis Lea

**RULE 8. FORMS UPON REQUEST**

Forms for written notices, requests and reports required by the Commission will be furnished upon request. These forms shall be of such nature as prescribed by the Commission to cover proposed work and to report the results of completed work. For information on forms covering applications and reports required, see Appendix.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

**RULE 101. PLUGGING BOND**

Last paragraph --

\*both Forms--for one well bond and blanket bond form--are available from the Commission's office at Santa Fe.

HUMBLE OIL & REFINING CO.

R. S. Dewey

**RULE 101:**

Insert "in the amount of \$10,000.00" after "blanket bond" in the thirteenth line of the first paragraph and delete the last sentence of such paragraph. It is doubtful that Sec. 9(1) of the Act would permit a bond in excess of \$10,000.00.

SOUTHERN UNION GAS CO.  
Willis Lea

**RULE 104. WELL SPACING**

A. Each well drilled for oil shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square or on a governmental quarter-quarter section or lot in accordance with the legal subdivision of the U. S. Public Land Surveys containing not less than 36 acres.

B. Each well drilled for gas subsequent to the order adopting this rule shall be located on a tract consisting of approximately 640 surface contiguous acres substantially in the form of a square or on a governmental section in accordance with the legal subdivision of the U. S. Public Land Surveys containing not less than 600 acres and shall not be drilled closer than 990 feet to any boundary line of the tract or closer than 1980 feet to the nearest well drilling to or capable of producing from the same pool. Provided, that in presently producing gas pools accessible to established gas transportation facilities not controlled by orders heretofore or hereafter made, each well drilled for gas shall be located on a tract consisting of at least 160 surface contiguous acres substantially in the form of a square in accordance with the legal subdivisions of the U. S. Public Land Surveys or a square equivalent to a tract of 160 acres and shall not be drilled closer than 600 feet to any boundary line of the tract or closer than 990 feet to a well drilling to or capable of producing from the same pool.

C. Wells drilled for oil subsequent to this order not in conflict with the two preceding paragraphs, natural gas wells commenced prior to the adoption of this rule, and oil wells recompleted as gas wells are orthodox locations.

- - - - -Provided, however, the Secretary of the Commission shall have authority to grant an exception to Rule 104 without notice and hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions provided the ownership of all oil and gas leases within a radius of 660 feet from an oil well and within a radius of 1980 feet from a gas well to the proposed location is common with the ownership of the oil and gas leases under the proposed location, or that each lessee of oil and gas leases within such radii consent in writing to the proposed location.

HUMBOLDT OIL & REFINING COMPANY

R. S. Dewey

I am, as requested, submitting in writing the suggestion that paragraph "A" under Rule 104 not be changed, as we have been operating over 20 years under substantially the same as shown under 1 (a) in statewide proration order 798:

"The unit of proration shall consist of 40 acres or lot in accordance with the legal subdivisions 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."

If it is felt that "for oil" should be inserted after the fourth word so that it

RULE 104 (Continued)

would read "the unit of proration for oil, etc." to differentiate from a gas unit, I agree.

B. M. KEOHANE  
Roswell, N. M.

Under Rule 104, entitled "Well Spacing, the Engineering Committee suggested changing the footage under Section B of Rule 104 to read 990 feet from boundary lines instead of 1320 feet and 1980 feet to the nearest well instead of 2640 feet as was proposed in the latest draft. These changes are not objectionable to Sun Oil Company.

At the hearing on November 1st, the operators in the San Juan Basin requested that the statewide rule regarding the gas unit should be 160 acres. Sun Oil Company feels that it would be more practicable to set up gas units on a statewide basis, on the basis of 640 acres, and if conditions so warrant it at a later date, it will be possible to reduce the size of units. It is our feeling that it is more practicable to start developing new gas fields on the basis of 640 acres than it is on a smaller acreage pattern. If the San Juan operators desire 160 acre units, they should have a hearing before the Board and have such units adopted for this field under a special order.

SUN OIL COMPANY

A. R. Ballou

RULE 104: Well Spacing - Change to read as follows:

(Southern Union Gas Co.  
Willis, La.)

A. Each well drilled for oil subsequent to the order adopting this rule shall be located on a designated drilling unit of forty (40) acres of land, more or less, in the form of a square except for normal variations in legal subdivisions of the United States Land Surveys or on a governmental quarter-quarter section (or lot), and shall not be located closer than three hundred thirty (330) feet to any boundary line of such unit, or closer than six hundred sixty (660) feet to the nearest well drilling to or capable of producing from the same pool.

B. Each well drilled for gas subsequent to the order adopting this rule shall be located on a designated drilling unit of one hundred sixty (160) acres of land, more or less, in the form of a square except for normal variations in legal subdivisions of the United States Land Surveys, and shall not be located closer than nine hundred ninety (990) feet to any boundary line of the designated drilling unit, or closer than nineteen hundred eighty (1980) feet to the nearest well drilling to or capable of producing from the same pool.

C. Wells drilled not in conflict with the two preceding paragraphs, natural gas wells commenced prior to the adoption of this rule, and oil wells re-completed as gas wells are orthodox locations.

RULE 104 (Continued)

D. The Commission may grant an exception to Rule 104 whenever the Commission shall determine, after notice and a hearing, and the facts clearly support the determination, that the unit is partly outside the pool, or, for some other reason, a well so located on the unit would be non-productive, or topographical conditions are such as to make the drilling at such location unduly burdensome, or that such exception is necessary to prevent waste or the confiscation of property. Application for an exception shall be accompanied by a plat or sketch drawn to the scale of not smaller than one (1) inch equalling 1320 feet, accurately showing (1) the drilling unit for which the exception is requested; (2) all other completed, drilling and permitted wells located on such unit and (3) lands adjacent to the proposed drilling unit showing the well(s) located thereon within a radius of 660 feet for oil tests and 1980 feet for gas tests. The application shall be verified by some person acquainted with the facts, stating that all facts therein stated are within the knowledge of the affiant true and that the accompanying plat is accurately drawn to scale and correctly reflects pertinent and required data. In addition to the published notice elsewhere herein required ten (10) days written notice of the date fixed for the hearing shall be given by the Commission by mailing, by registered mail, to all persons who are adjacent owners at the time of filing the application, and the names and addresses of such owners shall be given in the application; provided, however, the Secretary of the Commission shall have authority to grant an exception to Rule 104, without notice and hearing, where the necessity for an unorthodox location is due to topographical conditions and an application has been filed in due form showing that the ownership of all oil and gas leases within a radius of 660 feet for oil tests, and 1980 feet for gas tests, of the proposed well location is common with the ownership of the oil and gas leases under the proposed well location, or showing that all owners of oil and gas leases within such radius consent in writing to the proposed location.

E. In filing Form C-101, Notice of Intention to Drill, the surface distance must be shown between the proposed location and other wells within a radius of 660 feet for oil tests, and 1980 feet for gas tests.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 107. CASING AND TUBING REQUIREMENTS**

**First Paragraph--**

All wells drilled for oil or natural gas shall be completed with a string of casing which shall be properly cemented at a sufficient depth adequately to protect the oil or natural gas-bearing stratum to be produced. In addition thereto, such other casing shall be used in order to seal off all oil, gas and water stratum which may be encountered in the well, except the one or ones to be produced.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

**RULE 107 - CASING AND TUBING REQUIREMENTS**

It is felt that the first sentence of the second paragraph, requiring that "Sufficient cement shall be used on surface casing to fill the annular space back of the casing to the bottom of the cellar or to the surface of the ground", should not be made a general rule in that in many large areas in Eddy County no potable surface waters are encountered, thus, there is no need for cementing surface casing to the bottom of the cellar. If this rule were enforced it is estimated that in our own Eddy County operators it would be necessary to use four or five times the volume of cement now required by the U.S.G.S. and the Oil Conservation Commission in cementing our surface casing strings.

GRAYBURG OIL COMPANY

A. J. Heard, Vice President

RULE 109: Substitute "usual" for "necessary" in the second line.

SOUTHERN UNION GAS CO.

Willis Lea

**RULE 111. Deviation Tests:**

This rule should be modified to exclude relatively shallow (3,500' or less) cable tool holes.

GRAYBURG OIL CO.  
R. J. Heard

**RULE 111 - Deviation Tests**

In accordance with the first paragraph of this rule, it is mandatory that the well be straightened if for any 500' interval the angularity from vertical exceeds 5°. We have not so far had any great difficulty in maintaining our drilling operations in New Mexico with angularities less than the limitations shown. However, we have had considerable trouble in other states and in some cases it was impossible to maintain a 5° limitation. There is no reason to believe that eventually the same condition will not be encountered in New Mexico. Therefore, it is suggested that an operator be given an alternative, such as submitting a directional survey to show that the wells penetration into the producing formation is within the limits of the property lines.

GULF OIL CORPORATION  
S. G. Sanderson

**RULE 112. MULTIPLE ZONE COMPLETIONS**

First Paragraph - -

The multiple zone completion of any well including a bradenhead gas well may be permitted only by order of the Commission upon hearing.

NUBLE OIL REFINING CO.

R. S. Dewey

RULE 114: Delete the last sentence reading as follows:

"All pits and other hazards shall be adequately protected by a legal fence."

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 115. Well and Lease Equipment**

Provides that the Christmas tree fitting or well head connection have a working pressure of at least the equivalent of the calculated or known pressure in the reservoir. We always prefer to have general rules rather broad and it is our opinion that the rules should provide that such fittings shall be adequate to withstand pressures to be encountered. On the other hand, if it is desired to have a definite rating which would be considered safe, it is believed that it would be entirely adequate if the requirement was changed to the effect that such fittings shall have a test pressure of at least 150% of the calculated or known reservoir pressure. This is suggested due to the fact that in many cases the pressure encountered at the well head is substantially less than the reservoir pressure.

GULF OIL CORPORATION  
S. G. Sanderson

**RULE 116. NOTIFICATION OF FIRES, BREAKS, LEAKS OR BLOW-OUTS**

Last sentence of the paragraph --

The report hereby required as to oil losses shall be necessary only in case such oil loss exceeds one hundred (100) barrels in the aggregate.

HUBBLE OIL REFINING CO.

R. S. Dewey

**RULE 116. NOTIFICATION OF FIRES, BREAKS, LEAKS, AND BLOW-OUTS.**

This rule requires all persons owning or operating any pipe line to notify the Commission immediately concerning any fires or breaks in the lines. Reports are not required as to oil lease line breaks where the oil lost is less than 100 barrels. In all probability, the Commission intended to exempt all line breaks where the loss was less than 100 barrels, and not restrict the exemption only to lease lines. Rule 116 should be so amended to clarify its intent.

MAGNOLIA PETROLEUM COMPANY

William A. McKellar, Jr.

**RULE 117. WELL LOCATIONS, COMPLETIONS, AND WORKOVER REPORTS.**

should have the last sentence stricken out and the following sentence inserted in its place, "For the purpose of interpreting this rule, any hole drilled by an "owner" as defined by the Commission shall be presumed to be a well drilled for oil or gas." This wording would help an Oil or Gas Inspector in case he found an owner violating the Rules and Regulations of the Commission and the owner wanted to claim that he wasn't drilling for oil or gas.

OIL CONSERVATION COMMISSION

**RULE 201. NOTICE**

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations, on a form prescribed by the Commission, which notice shall state the name and location of the well and name of the operator, and contain an affidavit that the owner or his agent has notified all offset leasees and property owners, giving the name of such leasees and owners and the location of their leases. In case of a newly completed dry hole in which no casing, except surface casing has been run, the operator may commence plugging by giving reasonable notice, and securing the approval of the Commission as to the time plugging operations are to begin. He shall, however, file the regular notification form. See rule 1108.

HUBBLE OIL & REFINING CO.

R. B. Dewey

**RULE 201. Notice of Intention to Plug**

Provides that an affidavit be submitted that the owner has notified all offset leasees and property owners. In plugging wells in newly developed areas, such a provision is no particular hardship. However, in plugging in old depleted areas and particularly when offset leases may have been plugged out, it may be extremely difficult to locate all offset property owners, since many times in such cases the royalty has been widely distributed. In view of the qualifications in the last sentence of Rule 201 for the plugging of newly completed dry holes, it is believed it would be reasonable to limit the notification required in the first sentence to leasees only.

GULF OIL CORPORATION  
S. G. Sanderson

RULE 203: Insert "Operator and the" after "desired by the" in the second line.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 204:** Delete the words "liable and" in the second line and insert "to the Commission" after "responsible" in the third line.

**SOUTHERN UNION GAS COMPANY**

**Willis Lea**

**RULE 301. Gas-Oil Ratio Tests.** It is recommended that the wording of proposed Rule 301 be amended to read as follows:

"Each operator shall take a gas-oil ratio test within thirty (30) days following the completion or recompletion of an oil well and, after the discovery of a new pool, each operator shall make an annual gas-oil ratio test during the month which contains the anniversary date of the discovery well, or at such other periods which the Commission may designate. During such tests, each well shall be produced at a rate equal to or not exceeding its allowable by more than 25 percent. No well shall be given an allowable greater than the amount of oil produced on official test during a 24-hour period.

"Each test shall be conducted under the method and conditions as outlined in Appendix B attached hereto and the results of such test shall be reported on Form C-116, Gas-Oil Ratio Test, on or before the 15th day of the month following the month during which such test is made.

"The Commission will drop from the Proration Schedule any proration unit for failure to make or report such test as herein provided until such time as a satisfactory test has been made and reported, or satisfactory explanation given."

MAGNOLIA PETROLEUM CO.  
William E. McKellar, Jr.

**RULE 301.** I have talked to a number of the oil producers in Eddy County relative to the Gas Oil Ratio Law of New Mexico which I understand has not been enforced by the Oil Conservation Commission, in certain producing districts. A number of the producers have talked to Justin Newman relative to this matter. I was advised by Mr. Newman that there is to be a hearing in Santa Fe relative to requiring operators to take a Gas Oil Ratio on their oil wells. Everybody that I have talked to feels that the Gas Oil Ratio Law is a good thing if the law is flexible enough whereby it will not penalize the oil producer from producing the maximum amount of oil production from small wells particularly in areas such as the Old Artesia Field District where the field has been largely depleted. I also believe that we should not be compelled to take Gas Oil Ratios on wells that are on the pump. Every producer that I have talked to feels the same way.

I can see where taking Gas Oil Ratios in a new district or in an old district where deeper production has been encountered can be very beneficial to the various operators because it would help them to conserve the gas by cutting down the Gas Oil Ratio on producing the oil. It is my understanding also that the fields such as Loco Hills and Maljamar that have Pressure Maintenance Plants will not be required to run Gas Oil Ratio test. The majority of the wells in the Loco Hills fields are being produced with gas lift equipment and the gas used in lifting this oil is taken off of the separators and returned to the Pressure Maintenance Plant for compression. If a Gas Oil Ratio test were run on the wells in Loco Hills the Gas Oil Ratio would appear to be much higher than it really is due to the fact that gas is injected to lift the oil. For this reason, I don't believe that the Loco Hills pool should be required to run Gas Oil Ratio test.

DIXON & YATES OIL CO.  
Martin Yates III

RULE 301. The operators here in Artesia have had considerable discussion in the last few days relative to the gas and oil ration program.

It is my understanding there has been such a law for some time in the State of New Mexico. However, it has not been enforced in Eddy County.

I understand that there has been a meeting called in Santa Fe for November 1st regarding a program of enforcement of this law. Inasmuch as we will be unable to have a representative present, we would like to voice our opinion regarding this matter.

Personally, we think that the gas and oil ratio program is desirable in highly productive fields or heavy producing horizons and its enforcement would increase the life of the gas reservoirs. However, we think the law should be interpreted or written in such a way that it will be variable and would not include old stripper fields or pumping fields where the wells are not making the allowable and the bottom hole pressure is so low that the wells would not flow. In other words, the only reason we pump wells is because we do not have enough bottom hole pressure to flow them. The exception naturally is where gas lift is used.

We had in mind the Old Artesia Field, as it is shallow production and very few wells make the allowable. This field has been producing for many years with no gas conservation program whatsoever and should an unreasonable gas and oil ratio rule be enforced at this time, it appears that it would just be an added expense to the operators and should some of the wells be required to conserve gas that are now pumping, there is a possibility that a little five or ten barrel well may be reduced in its allowable to less than this amount and, naturally, this would make it unprofitable to attempt to operate.

In some of the old wells in the Old Artesia Field that are pumping, if it should be necessary to maintain an excessive gas pressure on the formation, the production would decrease materially.

However, should a deeper production horizon be discovered in the old field where a gas and oil ratio program will be beneficial to the majority of the operators, we feel that it should be supported and probably all the operators would support such a program.

We sincerely hope that you will be able to work out some sort of a program on this ruling that will not work a hardship on the oil producers in the old pools that have never had a program prior to this time and it seems that should one be enforced now it would serve no useful purpose if the gas reservoir has been pretty much depleted.

ROBERT E. MORSE  
J. R. Lund

RULE 301. Substitute "Report" for "Test" after Gas Oil Ratio in the third line.

SOUTHERN UNION GAS COMPANY  
Willis Lea

RULE 304:

Insert the word "zone" after "multiple" in the first line.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 308. SALT OR SULPHUR WATER**

Operators shall report monthly on Form O-115, the amount or percentage of water produced with the oil by each well making two percent (2%) or more water, in accordance with periodic tests.

MUMBLE OIL & REFINING COMPANY

R. S. Dewey

**RULE 309. COMMON TANKAGE**

Oil shall not be transported from a lease until it has been received and measured in tanks located on the lease. At the option of the operator, common tankage may be used to receive the production from as many as 8 units of the same basic lease, provided adequate tankage and other equipment is installed so that the production from each well can be accurately determined at reasonable intervals.

HUMBLE OIL & REFINING CO.

R. S. Dewey

**RULE 310:**

Delete "or" after "than" in the fifth line.

**SOUTHERN UNION GAS COMPANY**

**Willis Lea**

**RULE 312. TREATING PLANT**

The last two paragraphs of Rule 312 as contained in the final draft of the Engineer's Report, were omitted when the draft was reproduced and notice of the November 1 meeting was mailed. Attached to this letter you will find the two paragraphs omitted which should be made a part of Rule 312.

"Such permit, if granted, shall be valid for one (1) year, shall be revocable at the discretion of the Commission at any time after hearing is had on 10 days' notice and shall entitle the treating plant operator to an approved Certificate of Compliance and Authorization to Transport Oil, Commission Form C-110, for the total amount of products secured from tank bottoms and other waste oils processed. Any operating treating plant shall, on or before the 15th day of each calendar month, file at the nearest office of the Commission, a monthly report on Commission Form C-118, which report when fully completed and approved by an authorized agent of the Commission, may be used to support a Commission Form C-110 for the net oil on hand at the end of the reported period. In no event shall Commission Form C-110 be issued for moving the products of a treating plant without supporting Commission Form C-118 being completed and approved.

None of the provisions of this rule are applicable to the recovery of wash-in oil, creek oil, or pit oil where such oil is picked up and returned to the lease on which produced or where such oil is disposed of by owner to an authorized transporter and accounted for on Commission Form C-110. Before any person other than owner shall pick up, reclaim, or salvage wash-in oil, creek oil, or pit oil, a permit to do so shall be obtained from owner or operator of lease and from the duly authorized agent of the Commission. Application for permit shall state the name and location of the lease, the number of well or wells from which the oil was produced, or the source of such oil and the name of the owner, operator or manager.

HUBBS OIL & REFINING COMPANY

R. S. Dewey

RULE 314 - should be added to the Rules and should be captioned as follows: EMULSION, BASIC SEDIMENTS, AND TANK BOTTOMS: Wells producing oil shall be operated in such a manner as will reduce as much as practicable the formation of emulsion and B.S. These substances and tank bottoms shall not be allowed to pollute streams or cause surface damage. If tank bottoms are to be removed to surface pits, the pits shall be fenced and the fence shall be kept in good repair,

OIL CONSERVATION COMMISSION

**RULE 401. Method of Determining Natural Gas Well Potentials**

It is believed three rates will be quite adequate at this stage. In the event gas well potentials later become important, either for proration or for ratable take, it will be necessary to greatly amplify this rule.

**GULF OIL CORP.**

**S. G. Sanderson**

**RULE 403. NATURAL GAS FROM GAS WELLS TO BE MEASURED**

All natural gas produced shall be accounted for by metering or other method approved by the Commission and reported to the Commission by common purchaser of the gas. Gas produced from a gas well and delivered to a gas transportation facility shall be reported by the owner or operator of the gas transportation facility. Gas produced from a gas well, and required to be reported under this rule, which is not delivered to and reported by a gas transportation facility, shall be reported by the operator of the well.

MUSKIE OIL & REFINING COMPANY

R. S. Dewey

**RULE 404. NATURAL GAS UTILIZATION.**

Under this rule you state that "After the completion of a natural gas well, no gas from such well shall be used for the manufacture of carbon black." There is an implication under this rule that the use of natural gas in the manufacture of carbon black is waste, which I believe is unfair to the carbon black industry and not in accordance with the oil and gas law passed by the latest session of the Legislature. I would like to suggest that this rule be amended so that it would then read "After the completion of a natural gas well, no gas from such well shall be used for the manufacture of carbon black without a permit from the Oil Conservation Commission."

I would like to point out that there is a conflict between Rule 404 and Rule 1125, in that Rule 404 says you cannot use natural gas in the manufacture of carbon black, whereas Rule 1125 states that each operator of a carbon black plant within the State of New Mexico shall furnish for each calendar month the monthly volume or volumes received from each lease or operator delivering natural gas directly to such plant, together with the production in pounds of carbon black or other products produced.

In general, I would like to make the following observation. It strikes me that this Rule 404 is a hangover from the old days and is a reflection of the propaganda that was instigated by the pipeline companies in their efforts to outlaw the carbon black industry. In recent years conditions have changed considerably, in that the different State Legislatures have passed legislation favorable to the carbon black industry, and as a result they have been permitted to compete with pipeline companies in an open market for gas in their operations. I think, without a doubt, that this has proved very beneficial to the operators and royalty owners, as well as the states in which the carbon black industry operates. In other words, when you eliminate competition the value of your product is bound to suffer.

GABOT CARBON COMPANY

E. L. Green, Jr.

**RULE 503. ADMINISTRATION FOR PRODUCTION, PURCHASE AND TRANSPORTATION**

The Commission shall meet between the 20th and 25th of each month for the purpose of setting the normal unit allowable for the state for the following calendar month.

The exact date, time and place of such meetings shall be established in January of each year and notice given of such settings by publication made on or before January 10 of each year.

The Commission will consider all evidence of market demand for oil and determine the amount of oil to be produced from all oil pools during the following month. The amounts so determined will be allocated among the various pools in accordance with existing regulations and among the various units in each pool in accordance with regulations governing each pool. In allocated pools, effective the first day of each proration period, the Commission will issue a proration schedule which will authorize the production of oil from the various units in strict accordance with the schedule and the purchase and transportation of oil so produced. Allowable for wells completed after the first day of the proration period will become effective from the date of well completion. A supplementary order will be issued by the Commission to the operator of a newly completed or recompleted well, and to the purchaser or transporter of the oil from a newly completed or recompleted well, establishing the effective date of completion, the amount of production permitted during the remainder of the proration period, and the authority to purchase and transport same from said well.

A marginal unit shall be permitted to produce any amount of crude petroleum which it is capable of producing up to and including the top unit allowable for that particular pool for the particular proration period; provided the operator of such unit shall file with the Commission for a supplemental order covering the increase above the amount shown on the proration schedule. The Commission shall issue such supplemental order setting forth the daily amount of crude petroleum which such unit shall be permitted to produce for the particular proration period and shall furnish such supplemental order to the operator of the unit and a copy thereof to the transporter authorized to transport crude petroleum from the unit.

Current oil shortages may be made up or unavoidable and lawful overages compensated for during the second proration period next following the proration period in which such shortages or overages occurred.

All legal and authorized back allowable available for purchase will be published in the monthly proration schedule. No back allowable will be placed in the proration schedules unless request is made by producer and proof is shown that shortage is legal and should be considered as back allowable. There are only three justifications for back allowable, namely: (1) failure of purchaser or transporter to run assigned oil allowable, (2) mechanical failures affecting the producing well during the proration period, (3) gathering engineering data. Unless application is filed for back allowable within 60 days after the occurrence of the shortage, no back allowable for such shortage shall be granted.

**RULE 503 (Continued)**

In order to preclude premature abandonment, a common purchaser within its purchasing area is authorized and directed to make 100 percent purchases from units of settled production producing ten (10) barrels or less daily of crude petroleum in lieu of ratable purchases or takings. Provided, however, where such purchaser's takings are curtailed below ten barrels per unit of crude petroleum daily, then such purchaser is authorized and directed to purchase equally from all such units within its purchasing area regardless of their producing ability insofar as they are capable of producing.

**HUMBLE OIL & REFINING COMPANY**

**R. S. Dewey**

**RULE 506. GAS-OIL RATIO LIMITATION**

In allocated pools containing a well or wells producing from a reservoir which contains both oil and gas each proration unit shall be permitted to produce only that volume of gas equivalent to the applicable limiting gas-oil ratio multiplied by the top unit oil allowable for the depth of the pool and currently assigned to the pool. In the event the Commission has not set a gas-oil ratio limit for a particular oil pool the limiting gas-oil ratio shall be two thousand cubic feet of gas for each barrel of oil produced. In allocated pools, all producing wells, whether oil or casinghead gas, shall be placed on the oil proration schedule.

Unless heretofore or hereafter specifically exempted after hearing by the Commission, a gas-oil ratio limit shall be placed on all allocated oil pools, and all units having a gas-oil ratio exceeding the limit for the pool shall be penalized in accordance with the following formulas:

Paragraphs No. 3,4,5,6,7, and 9 remain the same; paragraph 8 should be omitted. Paragraph 8 begins as follows: "All gas produced in allocated oil pools specifically exempted from gas-oil ratio limitations - - -".

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

RULE 506: Insert the word "casinghead" before "gas" in the second and third lines. Insert the word "oil" before "pools" in the eighth line. Delete the last sentence of the first paragraph because the Commission will simply classify as an oil well any well which should be on the oil proration schedule.

- (b) Insert the word "casinghead" before "gas" in the second and third lines.
- (c) Insert the word "casinghead" before "gas" in the second line.
- (d) Insert the word "casinghead" before "gas" in the first line.

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 601: Insert the words "the allowable" after ", and shall allocate" in the fifth line. Also add statutory reference at end of rule as follows: (See: Sec. 12(c) et seq., Chap. 168, 1949 Sessions Laws.)

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 602: Insert "for an allocated gas pool" after "period" in the first line.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 603:** Insert the word "production" after "allowable" in the second line. Substitute "well" for "proration unit" appearing in the fourth and fifth lines. Add a new sentence at the end of the present rule, as follows: "In protecting correlative rights the Commission may give equitable consideration to acreage, pressure, open flow, porosity, permeability, deliverability and quality of the gas and to such other pertinent factors as may exist."

While some reference is made in the Statutes to "proration units" to prevent the drilling of unnecessary wells gas proration is authorized by the Statute on a well basis.

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 604. Gas Proration Units - Delete, unauthorized by Statute, see comments under Rule 603.

Suggest that this is a proper place for a rule conforming with Statute eliminating storage gas from gas proration regulation; "Rule 604. Storage Gas Exempted - The above rules shall not apply to any well(s) or pool(s) used for storage and withdrawal from storage of gas originally produced pursuant to Chap. 168, 1949 Session Laws, or the rules, regulations or orders of the Commission.

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 701: Substitute the words "pressure maintenance" for the words  
"Maintaining reservoir pressure."

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 803. Substitute "well or wells" for "proration unit" in the last line.

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 902. Substitute "rule" for "act" in the fifteenth line.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 908. NOTICE OF INTENTION TO PLUG WELL.**

There are some operators who would like to strike out the sentence, "Failure to file notice before plugging shall constitute grounds for forfeiture of bond." For the protection of the Commission, this should be in the Rules and Regulations, since it is already in the law.

OIL CONSERVATION COMMISSION

RULE 909, REPORT ON RESULTS OF PLUMBING WELL, should have the following sentence just before the final sentence. "It shall also state whether or not the pits have been covered and the location cleared of junk." By having this in the Rules, the Oil and Gas Inspector may be saved some time and expense, since it will sometimes save him a trip to a location that hasn't been cleared of junk.

OIL CONSERVATION COMMISSION

RULE 1101: Insert the words ", casinghead gas" after "natural gas"  
in the fifth line.

SOUTHERN UNION GAS COMPANY

Willis Lea

RULE 1105 should be omitted.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

RULE 1105 - Notice of Intention to Shoot or Chemically Treat Well, and  
RULE 1106 - Notice of Intention to Test Casing Shut Off.

It is our understanding that the Commission is considering complete elimination of these two paragraphs or greatly simplifying the requirements. We see no objection to their elimination; however, in the event these two rules are retained, it is believed that simple notice should be sufficient, rather than the requirement that operations be held up until approved copies have been returned.

GULF OIL CORPORATION

S. G. Sanderson

RULE 1106 should be omitted.

HUBBLE OIL & REFINING COMPANY

R. S. Dewey

RULE 1106 - SEE GULF OIL CORPORATION'S COMMENTS ON RULE 1105

RULE 1108. Notice of Intention to Plug Well

Has the same objection as previously expressed for Rule 201. It is believed that the notice should be limited to lessees only.

GULF OIL CORPORATION

S. G. Sanderson

RULE 1114: Insert the word "well" after "oil" in the second line and insert the words "in an allocated pool" after "gas well" in the third line.

Change the third paragraph to read as follows: "The allowable of oil wells will be assigned, effective 7:00 A.M., on the date of completion. The effective date of initial allowable of a gas well in an allocated pool will be determined by the special rule(s) for such pool."

RULE 1116: Substitute "condensate" for the term "liquid hydrocarbons" where it appears.

In the seventh line of the first paragraph add after the words "operating unit" the words "or gas well"; likewise, in the second line and fourth line of the second paragraph.

In the twelfth line of the second paragraph change the word "dry" to "natural".

RULE 1118: Change the term "liquid hydrocarbons" wherever it appears to the defined term "condensate".

RULE 1120: In this rule the word "condensate" should be deleted since it is a defined term meaning liquids recovered at the surface--therefore, not properly included in referring to the output of gasoline plant.

The last sentence of this rule relates only to injections into and withdrawals from natural gas storage and was probably intended as a separate rule having no relationship to the gasoline plant reports.

RULE 1121: Change the term "liquid hydrocarbons" to the defined term "condensate" in the fourth line.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 1126. INJECTION REPORT (FORM C-120)**

See Section I, Rules 701, 702, 703 and 704.

HUMBLE OIL & REFINING COMPANY

R. S. Dewey

**RULE 1126. INJECTION REPORT (FORM C-120)**

Since Form C-120 will require all of the information now reported on Form C-115, it is our suggestion that, to avoid duplication, whenever Form C-120 is required, the operator be allowed to file Form C-120 in lieu of Form C-115.

GRAYBURG OIL CO.

R. J. Heard

**RULE 1127. Pipe Line Data Required.** This rule should be amended to exempt oil gathering lines. Apparently, the Commission intended to exclude oil gathering lines from the provisions of Rule 1127, and the rule should be amended to clarify this meaning.

**MAGNOLIA PETROLEUM CO.**  
**William E. McKellar, Jr.**

RULE 1201 et seq.,: Since these rules are recognized to be properly the subject of additional work, it is suggested that they not be included until they are in comprehensive form. For example, much of the substance of Rules 1201 and 1205 is already included in Rule 2. Moreover, under Rule 1206 it seems proper that all of Section 19 of the Statute rather than a part be reproduced.

SOUTHERN UNION GAS COMPANY

Willis Lea

**RULE 1206. Provides 20 Days After Entry of Any Order for Filing an Application for Re-Hearing**

The 20 days is the statutory requirement so that the Commission probably could not require less than that time. However, in the event orders of the Commission are delayed in distribution, some interested parties might not be actually notified of the entry until too late. It is suggested that this period be extended to 30 days.

GULF OIL CORPORATION  
S. G. Sanderson

SEE SOUTHERN UNION'S COMMENTS - RULE 1201, etc.

APPENDIX C

**NOTE:** The official rules adopted by Order No. 359 and attached under Appendix C all of the forms described in rule 1103. However, these forms are not set out in this printed edition in order to conserve space.

All of such forms are available at the office of the Commission in Santa Fe, or at any of the district offices.

## SUPPLEMENT

In this supplement appear certain rules of the Commission which were not rescinded by Order No. 850, adopting the foregoing rules and regulations. Copies of other orders not set forth in this supplement, but which are still in effect although not included in the foregoing rules and regulations, may be obtained from the Commission office in Santa Fe.

### Order No. 33

Adopted, June 12, 1936, being a proration plan for the Monument pool, Lea County.

Sec. 1. The total allowable production of oil in the Monument field shall be allocated within the field by productive units. Units shall not be allocated more oil than they can produce without unreasonable waste.

Sec. 2. Productive units shall be classified as marginal and non-marginal units, a marginal unit being one that cannot produce the acreage unit allowable, and a non-marginal unit one with a daily potential equal to or larger than the acreage unit allowable. Marginal units shall be allocated approximately the amount of oil they can produce.

Sec. 3. The total allocation to marginal units shall be deducted from the total daily field allowable and the resulting number of barrels shall be designated as the total daily non-marginal field allowable.

Sec. 4. Regular units for allocation shall consist of 40-acre tracts in a square, and of tracts having an area of from 39 to 40 acres according to the surveys of the United States Government.

Sec. 5. If a productive tract, according to Government surveys, consists of more than 40 acres, the allocation to such special unit for both acreage unit allowable and bottom hole pressure allowable shall be in the ratio of its area in whole number of acres to 40 acres.

Sec. 6. When the area of a productive tract is less than 39 acres, such tract shall be considered a fractional unit. If the area in acres of a fractional unit, according to the official plats of the United States Government, is exactly a whole number, the allocation to such fractional unit for both acreage unit allowable and bottom hole pressure allowable shall be in the ratio of that number of acres to 40 acres. If the area in acres of a fractional unit, according to Government survey plats, is not a whole number, the allocation to such fractional unit as compared to a regular unit, shall be in the ratio of the next larger whole number of acres to 40 acres.

Sec. 7. Eighty (80) per cent of the total daily non-marginal field allowable shall be allocated equally to the non-marginal productive units, except as otherwise noted herein. This allocation to each unit shall be designated as the acreage unit allowable.

Sec. 8. Twenty (20) per cent of the daily non-marginal field allowable shall be prorated to the different non-marginal units on the basis of the static bottom hole pressures of the wells. The average of the three lowest static bottom hole

pressures shall be obtained, and this pressure shall be designated as the deduction pressure; provided, however, that if the average of the three lowest pressures is less than eighty (80) per cent of the highest unit static bottom hole pressure for the field, the deduction pressure shall be eighty (80) per cent of the said highest unit static bottom hole pressure. This deduction pressure shall be subtracted from the actual bottom hole pressure for each unit. The results obtained for all the non-marginal units shall be added together and the sum shall be divided into the total bottom hole pressure allowable for the field. The quotient obtained shall be designated the bottom hole pressure factor. To obtain the bottom hole pressure allowable for each unit, this factor shall be multiplied by the difference between the bottom hole pressure for the unit, and the established deduction pressure. Units having a lower bottom hole pressure than the established deduction pressure, as defined above, shall be considered as having the deduction pressure, and such units shall be allocated only the acreage unit allowable. Where there are more than one producing well on a unit, the applied bottom hole pressure for that unit shall be the average of the bottom hole pressures of all the wells. This pressure shall be used in computing the allocation to the unit as though there was only one well on the unit. The sum of the acreage unit allowable and the bottom hole pressure allowable shall be the total allocation for each non-marginal unit.

Sec. 9. Wells completed during a pressure survey period of three months shall be allocated the non-marginal unit allowable for Lea County during the balance of the period.

Sec. 10. The pressures of pumping wells can be taken at six-month intervals instead of three month intervals if the operator so desires. If the mechanical condition of a well is such that the bottom hole pressure cannot be taken the allocation to that unit shall be the acreage unit allowable for the field.

Sec. 11. The Umpire shall notify the operator of the day and hour that a well is to be shut in for bottom hole pressure test. The bottom hole pressure shall be measured not less than 24 hours nor more than 36 hours following said specified time. Notice to the operator shall be given by the Umpire not less than 24 hours before the time for the well to be shut in. The well shall produce its regular allocation during the 24-hour period ending at the time the well is shut in.

Sec. 12. When it is unsafe for the Protraction Umpire or his representative to determine a static bottom hole pressure because of the mechanical condition of a well, that unit shall automatically receive the acreage unit allowable.

Sec. 13. The pressure shall be measured as near as possible to a point in the well 250 feet below sea level. When it is impossible to determine the pressure at this point the pressure may be adjusted from the actual point of determination to 250 feet below sea level, according to the static head of the fluid at the point at which the pressure is determined; provided that, when due to the mechanical condition of the well, it is impossible to determine the pressure closer than 150 feet from a point 250 feet below sea level, the well shall be considered not to be in condition to determine the static pressure, and it shall receive the acreage unit allowable until it is put in such condition that the pressure can be determined.

Sec. 14. Static bottom hole pressures shall be taken prior to August 1, 1936 and these pressures shall be used in making allocations for the period August 1-October 31, 1936. A similar procedure shall be followed for subsequent three-month periods.

**Sec. 15.** This order shall become effective August 1, 1936, at which time it shall revoke Order No. 22 of the Commission, adopted March 25, 1936. It shall remain in force until revoked by order of the Commission.

**Section 16.** Allocations to the Monument field as a whole shall be determined according to the plan of Order No. 1 of the Commission, "General State Proration Order", adopted June 29, 1935. Allocations for the field and the wells therein shall be included in "General State Proration Orders" of the Commission, prepared by the Proration Umpire for Lea and Eddy Counties, as authorized by the Commission in Order No. 1. This order supersedes any provisions of Order No. 1 with which it is in conflict.

**Sec. 17.** C. G. Staley, Proration Umpire for Lea and Eddy Counties and Deputy of the New Mexico Oil Conservation Commission, is hereby specifically authorized to determine the static bottom hole pressure and the allocations to each unit in the Monument field in accordance with this order.

OIL CONSERVATION COMMISSION

S/ CLYDE TINGLEY, GOVERNOR

S/ FRANK VESELY, COMMISSIONER OF PUBLIC LANDS

S/ E. H. WELLS, STATE GEOLOGIST

Order No. 398

Adopted, September 12, 1941, superceding previous orders and being a proration plan for the Hobbs field.

**Sec. 1.** The total allowable production of oil in the Hobbs field shall be allocated within the field by productive units. Units shall not be allocated more oil than they can produce without waste.

**Sec. 2.** Productive units shall be classified as marginal and non-marginal, a marginal unit being one that cannot produce the acreage unit allowable, and a non-marginal unit one with an average daily potential production equal to or larger than the acreage unit allowable. Marginal units shall be allocated approximately the amount of oil they can produce.

**Sec. 3.** The total allocation to marginal units shall be deducted from the total daily field allowable and the resulting number of barrels shall be designated as the total daily non-marginal field allowable.

**Sec. 4.** As far as possible, the field shall be divided into forty (40) acre tracts in the form of a square, constituting regular subdivisions of sections according to the Government surveys. Each such tract shall be considered a unit for the purposes of proration hereunder. If it should develop that there are tracts of land owned by individual operators or lease holders constituting less than a unit as above defined or in such form as not to constitute a unit as above defined, then the Commission in its discretion may create and outline fractional units or units of a form other than a square. However, 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.

Sec. 5. The following 40-acre units not in the form of a square shall be considered as regular units for proration purposes:

Walker Terry G, N-1/2 SW-1/4 SE-1/4 and N-1/2 SE-1/4 SE-1/4  
Sec. 10, T. 19S., R. 38E.

Walker Terry G-a, S-1/2 SW-1/4 SE-1/4 and S-1/2 SE-1/4 SE-1/4  
Sec. 10, T. 19S., R. 38E.

Repollo Crump B, N-1/2 NE-1/4 NE-1/4 and N-1/2 NE-1/4 NE-1/4,  
Sec. 15, T. 19S., R. 38E.

Repollo Crump B-a, S-1/2 NW-1/4 NE-1/4 and S-1/2 NE-1/4 NE-1/4,  
Sec. 15, T. 19S., R. 38E.

Stanolind State C, N-1/2 NE-1/4 NW-1/4 and N-1/2 NW-1/4 NW-1/4,  
Sec. 15, T. 19S., R. 38E.

Stanolind State C-a, S-1/2 NW-1/4 NW-1/4 and S-1/2 NE-1/4 NW-1/4,  
Sec. 15, T. 19S., R. 38E.

Sec. 6. Eighty (80) per cent of the non-marginal field allowable shall be allocated among the various units without reference to their producing ability or pressures; all forty (40) acre units participating equally and each fractional unit receiving allocation as compared to the allocation of a forty (40) acre unit, in the ratio that its area in acres bears to forty (40) acres. This allocation to each unit shall be designated as the acreage unit allowable.

Sec. 7. The remaining twenty (20) per cent of the daily non-marginal field allowable shall be prorated to the different non-marginal units on the basis of the static bottom hole pressure of the wells. For computation purposes, the bottom hole pressures for all the wells shall be added together, and this sum shall be divided into the total number of barrels to be allocated to the field according to bottom hole pressures. The quotient obtained shall be designated the bottom hole pressure factor. To obtain the bottom hole pressure allowance for each well, or unit, this factor shall be multiplied by the bottom hole pressure of the unit. The sum of the unit acreage allowance and the bottom hole pressure allowance shall be the total allocation for each non-marginal unit.

Sec. 8. The Commission each six months shall determine the bottom hole pressure of each well in the field, provided that for each well in which the bottom hole pressure cannot be determined for mechanical reasons, such well shall have assigned to it the bottom hole pressure of the nearest well in which a bottom hole pressure is taken, or if equidistant from two or more wells in which bottom hole pressures are taken such well shall have assigned to it the average of the bottom hole pressures of said equidistant wells.

Sec. 9. The Commission shall notify the operator of the day and hour that a well is to be shut in for bottom hole pressure test. The bottom hole pressure shall be measured not less than 24 hours nor more than 36 hours following said specified time. Notice to the operator shall be given by the Commission not less than 24 hours before the time for the well to be shut in. The well shall produce its regular allocation during the 24-hour period ending at the time the well is shut in.

Sec. 10. Pressures shall be taken as nearly as possible at a common datum level of 400 feet below sea level and all pressures shall be adjusted to that datum, and correction shall be made in gas or oil depending on the medium in which the bottom

hole pressure gauge is stopped.

**Sec. 11.** Wells completed during a proration period occurring between bottom hole pressure surveys will be allocated the average non-marginal unit allowable for the field until static bottom hole pressures can be taken. Then these pressures shall be used in determining their allowable for the following periods.

Section 2 of Order No. 835

Relating to gas-oil ratios.

NOTE: Order No. 835 was adopted September 8, 1949. Section 2 of Order No. 835 is still in effect. Sub-paragraph A of Section 2, set out the gas-oil ratios as the same now appear in the Appendix of the foregoing rules.

Sub-paragraph B of Section 2, is as follows:

(b) No limiting gas-oil ratio shall be applied in Hardy, Penrose-Skelly, Langlic-Mattix, Rhodes Oil Pool, Cooper-Jal, and South Eunice pools in Lea County, (see Order 633) and Scanlon in Eddy County, now primarily gas reservoirs. Provided that the oil produced with the gas shall not be in excess of the current top unit allowable; and provided further that the gas produced from said pools shall be put to beneficial use so as not to constitute waste, except as to proration units in said pools for which there are not facilities for the marketing or application to beneficial use of the gas produced therefrom. As to such proration units the limiting gas-oil ratio in effect immediately prior to the effective date of the order herein shall apply. As to said pools, gas-oil ratio tests shall be required only when the Commission within its discretion may from time to time indicate.

**ILLEGIBLE**

Order No. 748

Relating to spacing in the Kutz Canyon-Fulcher Basin gas pools, adopted June 22, 1948.

ing rules and regulations shall apply to wells completed or recompleted to the Pictured Cliff pool in the Kutz Canyon-Fulcher Basin area, defined below, in addition to the Commission's applicable rules, regulations and orders heretofore or hereafter adopted to the extent not in conflict herewith:

Section 1. No well shall be drilled or completed or recompleted, and no Notice of Intention to Drill or drilling permit shall be approved, unless

- (a) such well be located on a designated drilling unit of not less than one hundred sixty (160) acres of land, more or less, according to legal subdivisions of the United States Land Surveys, in which unit all the interests are consolidated by pooling agreement or otherwise and on which no other well is completed, or approved for completion, in the pool;
- (b) such drilling unit be in the shape of a square except for normal variations in legal subdivisions of the United States Lands Surveys; and

ninety feet (90), provided such proposed new well is to be an offset to any then producing gas well completed in the pool, or the drilling of which has authorized prior to the effective date of this order, located on an adjoining unit in which the interests are not identical with those in the unit proposed to be drilled, such proposed well may be located and drilled offsetting the existing well and as close to the common unit boundary line as the well to be so offset.

Section 2. Any provision herein to the contrary notwithstanding, the Commission may, and in proper cases will, on petition or on its own motion, by order entered after notice and hearing to the extent required by law, grant exceptions and permit drilling locations to become effective, thereby authorizing the drilling or completion of wells in the pool not conforming to the requirements of Section 1 above if

shall also find that the following conditions exist:

- (a) that consolidation or pooling of the property sought to be drilled with necessary adjoining land, notwithstanding diligent efforts made in good faith, is impossible or impractical;
- (b) that the property sought to be drilled is located within a then developed portion of the pool and its non-conforming size or shape is due to the adjoining developed properties in the pool;
- (c) that because of the nature of the terrain, location of the proposed well at a lesser distance from one of the outer boundaries of its drilling unit should be permitted; or
- (d) that by reason of the location of the property to be drilled along the southwest or northeast flank of the developed portion of the area, it appears improbable that gas can be produced in paying quantities if the well conforms to Section 1, in which case the Commission may modify the requirements of Section 1 as to such well to the extent it deems necessary.

Irrespective of such findings, if the Commission shall find that by reason of all circumstances an exception is proper in the prevention of waste, or undue drainage between properties, or otherwise in the exercise by the Commission of its jurisdiction over the spacing of wells or its other powers conferred by law, express or implied.

IT IS FURTHER ORDERED that, in accordance with recommendations of the Northwestern New Mexico Nomenclature Committee approved and adopted by this Commission, the Pictured Cliff gas producing pool in the Kutz Canyon-Fulcher Basin area, to which this order applies, is defined

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Township 27 North, Range 10 West  
Sec. 3 W/2  
Secs. 4 & 5 All

Township 28 North, Range 10 West  
Secs. 7 & 8 All  
Sec. 15 W/2  
Secs. 16,17,18,19  
20,21 All  
Sec. 22 W/2  
Sec. 27 W/2  
Secs. 28,29,30,31  
32,33 All  
Sec. 34 W/2

Township 28 North, Range 11 West  
Secs. 9,10,11,12,13  
14,15,16,22,23,24,25,26 All

Township 29 North, Range 11 West  
Secs. 6,7,8,16,17,18,19  
20,21,22,26,27,28,29,30, All

Township 29 North, Range 12 West  
10,11,12,13,14,15,23,  
24,25 All

Township 29 North, Range 13 West  
Sec. 1 All

Township 30 North, Range 12 West  
Sec. 19 All  
Sec. 20 S/2  
Secs. 26,27,28,29  
30,31,32,33,34,35  
36 All

Township 30 North, Range 13 West  
Secs. 24,25,36 All

All additional lands located within one-half (1/2) mile of any land in the pool as defined or as it may be extended shall conform to these rules and regulations; provided, however, that such pool shall in no event be extended so as to include any lands now or hereafter included by the Commission in some other producing area formally designated as an oil or gas pool in the Pictured Cliffs, provided, further, by order of this Commission the pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed, on the basis of additional developments, to be capable of producing gas from the Kutz Canyon-Fulcher Basin pool, whether or not such other lands shall have been at one time included in another designated field or pool producing from the Pictured Cliffs.

Entered and adopted by the Oil Conservation Commission this 22 day of June, 1948.

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STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

/s/ Thomas J. Mabry  
CHAIRMAN

MEMBER

/s/ R. R. Spurrier  
SECRETARY

Order No. 799

Relating to spacing in the Blanco gas pool, San Juan County, adopted  
February 25, 1949.

ing rules and regulations shall apply to wells hereafter drilled or completed or re-completed to the Mesaverde pool in the Blanco area, defined below, in addition to the Commission's applicable rules, regulations and orders heretofore or hereafter adopted to the extent not to conflict herewith:

Section 1. No well shall be drilled or completed or recompleted, and no Notice of Intention to Drill or drilling permit shall be approved, unless

- (a) such well be located on a designated drilling unit of not less than three hundred twenty (320) acres of land, more or less, according to legal subdivisions of the United States Land Surveys, in which unit all the interests are consolidated by pooling agreement or otherwise and on which no other well is completed, or approved for completion, in the pool;
- (b) such drilling unit be in the shape of a rectangle except for normal variations in legal subdivisions of the United States Lands Surveys, the north half, south half, east half or west half of each section of land constituting a drilling unit;
- (c) such well shall be located 330 feet from the center of either the northeast or southwest quarter of the section subject to variation of 200 feet for topographic conditions. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily increase drilling costs.

Section 2. The special rules and regulations for the Blanco (Mesaverde) pool contained herein shall be limited in their application to the present 4200-5100 foot productive horizon where the productive sands are contained between the top of the Circle House Sand and the base of the Point Lookout Sand of the Mesaverde.

Section 3. Proration Units: The proration unit shall consist of 320 acres or (a) a legal U. S. General Land Office Survey half-section and (b) the approximate 320 acre unit shall follow the usual legal sub-divisions of the General Land Office Section Surveys and (c) where proration units lie along the edge of field boundaries described in Section 1 above, exceptions shall be permissible in that contiguous tracts of approximately 320 acres, following regular U.S.G.L.O. sub-divisions, may be classed as proration units.

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- A. The pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of the uniform spacing plan of proration units, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum oil and natural gas in the pool; provided, that the owner of any tract that is smaller than the drilling unit established for the field, shall not be deprived of the right to drill on and produce from such tract if same can be done without waste; but in such case the allowable production from such tract, as compared with the allowable production therefrom is such tract were a full unit, shall be in the ratio of the area of such tract to the area of a full unit of 320 acres.

#### Section 4. Casing and Cementing Program:

##### A. Surface Pipe

The surface pipe shall be set through the shallow potable water bearing beds to a minimum depth of 250 feet and a sufficient amount of cement shall be used to circulate the cement behind the pipe to the bottom of the collar. This surface casing shall stand cemented for at least 24 hours before drilling plug or initiating tests. The surface casing shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shut-off. In lieu of the foregoing test the cement job shall be tested by building up pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 lbs. during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling the plug. In this regard all fresh waters and waters of present or probable future value for domestic, commercial or stock purposes shall be confined to their respective strata and shall be adequately protected by methods approved by the Commission. Special precaution shall be taken in drilling and abandoning wells to guard against any loss of artesian potable water from the strata in which it occurs and the contamination of artesian potable water by objectionable water, oil or gas. The Commission shall be notified at least 24 hours prior to the conducting of any test.

##### B. Production String

The production string shall be set on top of the Cliff House Sand with a minimum of 100 sacks of cement and shall stand cemented not less than 36 hours before testing the casing. This test shall be made by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 lbs. during that period, the test shall be considered satisfactory.

##### C. General

All cementing shall be done by the pump and plug method. Bailing tests may be used on all casing and cement tests, and drill stem tests may be used on cement tests in lieu of pressure tests. In making bailing test, the well shall be bailed dry and remain approximately dry for thirty minutes. If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be re-cemented and re-tested or an additional string of casing should be run and cemented. If an additional string is used the same test shall be made as outlined for the original string. In submitting Form C-101. "Notice of Intention

to Drill", the number of sacks of cement to be used on each string of casing shall be stated.

Rules 6,8,9,10,11,12 and 14 of Order No. 4 of the Commission, effective 8/12/35, should be followed.

**Section 5. Tubing:** Any completed well which produces any oil shall be tubed. This tubing shall be set as near the bottom of the hole as practicable, but in no case shall tubing perforations be more than 250 feet from the bottom. The bottom of the tubing shall be restricted to an opening of less than 1' or bull-plugged in order to prevent the loss of pressure bombs or other measuring devices.

**Section 6. Special Equipment:** Any well which produces oil shall be equipped with a meter setting of adequate size to measure efficiently the gas, with this meter setting to be installed on the gas vent or discharge line. Well-Head equipment for all wells shall be installed and maintained in first class condition, so that static, bottom hole pressures and surface pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on the casing and also on the tubing, wherever tubing is installed. All connections subject to well pressure and all well-head fittings shall be of first class material, rated at 2,000 psi working pressure and maintained in gas tight condition. Bradenheads rated at 2,000 psi shall be installed on all production string and bradenhead connections maintained in gas tight condition. There shall be at least one valve on each bradenhead. Operators shall be responsible for maintaining all equipment in first class condition and shall repair or replace equipment where gas leakage occurs.

**Section 7. Safety Requirements:** Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first class condition and properly installed.

**Section 8. Shooting of Wells:** Wells shall not be shot or chemically treated until the permission of the Commission is obtained. Each well shall be shot or treated in such manner as will not cause injury to the sand or result in water entering the oil or gas sand, and necessary precautions shall be taken to prevent injury to the casing. If shooting or chemical treating results in irreparable injury to the well or to the oil or gas sand, the well shall be properly plugged and abandoned. (See Rule 42 Order No. 4, Effective 8/12/35)

**Section 9. Testing of Pays:** All wells drilled through the Point Lookout Pay will be tested by means of separate back pressure tests in accordance with the methods adopted by the U. S. Bureau of Mines (Monograph 7) of (a) the Cliff House Pay (b) the Point Lookout Pay (c) both pays commingled with a minimum of three stabilized readings from a total minimum of three different sized orifices.

- A. Wells which penetrated the Cliff House pay only will take minimum of three stabilized tests covering a total of three different sized orifices.
- B. The foregoing tests shall be taken either in the process of completion, or in drilling, or by means of packer separations between the Point Lookout and Cliff House pays after completion. All tests should be certified and filed with the Commission, and the Commission shall be notified at least 24 hours prior to conducting any test.
- C. Annual back pressure tests, using total of three different sized orifices, shall be taken in June, July or August on each completed well. Each test must be stabilized and plotted as a straight line function on logarithmic paper as outline in U. S. Bureau of Mines Monograph 7.
- D. Within six months of the effective date of this order, and every six

months thereafter, there shall be a meeting of all operators within the Blanco-Mesaverde pool in the Commission Offices in Santa Fe, New Mexico, to present and discuss new information and data gathered subsequent to the effective date of this order. The Commission may discontinue these meetings when in its opinion, the pool has reached a stage of development where such meetings are unnecessary.

Section 10. Protection of Mineral Deposits: Since the Menofee coal beds bear some gas and since these coal beds are of non-commercial value, Rule 20, Order No. 4 of the Commission dated 8/12/35 shall not apply to this field.

Section 11. Gas Wastage: Mesaverde gas shall not be flared since this is principally a gas reservoir and any well not connected to a commercial or domestic taker shall be shut-in until such market is obtained. Wells in this field shall be permitted to produce and market gas, as long as such can be done without waste, equitably between proration units for the field.

Section 12. Bradenhead Gas: Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches, or otherwise wasted. It may be used for lease and development purposes and for the development of nearby leases, except as prohibited above. Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

Section 13. Any provision herein to the contrary notwithstanding, the Commission may, and in proper cases will, on petition or on its own motion, by order entered after notice and hearing to the extent required by law, grant exceptions and permit drilling locations to become effective, thereby authorizing the drilling or completion of wells in the pool not conforming to the requirements of Sections 1 through 12 above if the Commission shall find that the property sought to be drilled would be deprived of an opportunity to produce gas from the pool in the absence of such exception, or irrespective of such findings, if the Commission shall find that by reason of all circumstances an exception is proper in the prevention of waste, or undue drainage between properties, or otherwise in the exercise by the Commission of its jurisdiction over the spacing of wells or its other powers conferred by law express or implied.

IT IS FURTHER ORDERED that, in accordance with recommendations of the Northwestern New Mexico Nomenclature Committee approved and adopted by this Commission, the Mesaverde gas producing pool in the Blanco area, to which this order applies, is defined to include the following described land in San Juan County, New Mexico:

Township 29 North, Range 9 West  
All of sections 3, 4, 5, 10, 11, 14 and 15

Township 30 North, Range 9 West  
Sec. 7, S/2; Sec. 8, S/2; all of sections 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 32, 33 and 34.

All additional lands located within one-half (1/2) mile of any land in the pool as defined or as it may be extended shall conform to these rules and regulations; provided, however, that such pool shall in no event be extended so as to include any lands now or hereafter included by the Commission in some other producing area formally designated as an oil or gas pool in the Mesaverde, provided, further, by order of this Commission the pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed, on the basis of additional developments, to be capable of producing gas from the Blanco pool, whether or not such other lands shall have been at one time included in another designated field or pool producing from Mesaverde.

Entered and adopted by the Oil Conservation Commission this 25 day of February, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

/s/ THOMAS J. LABRY, CHAIRMAN  
/s/ GUY SHEPHERD, MEMBER  
/s/ R. R. SPURRIER, SECRETARY.

**ILLEGIBLE**

Order No. 562

Relating to Loco Hills Pressure Maintenance Association, Inc., adopted March 24, 1944.

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 $\frac{1}{2}$ NE $\frac{1}{4}$ , 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, NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  of Section 12, NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 14, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$  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: NE $\frac{1}{4}$ SW $\frac{1}{4}$  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.	Beeson 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
Ms-Tex	Yates 3	NWSE	5-18-29
Gordon Cone	Langford 1	NWSU	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.

Order No. 435

Relating to Maljamar Cooperative Repressuring Agreement, issued November 14, 1942.

IT IS SPECIFICALLY ORDERED:

I. That this project shall hereafter be known as the Maljamar Cooperative Repressuring Agreement.

II. That the cooperative area referred to in Section 2 of the findings herein consists of the following tracts: Section 14 to 23 inclusive, and Sections 25 to 35, inclusive, in Twp. 17S. Rge. 32E., N. 14.P.M., Lea County, New Mexico.

The committed area referred to in Section 2 of the findings herein is described as follows:

Sec. 14; E<sup>1</sup>/<sub>2</sub> Sec. 16; all Sec. 17, 18, 19, 20, 21, 22, 27, 28, 29 and 30. The NE<sup>1</sup>/<sub>4</sub>, NE<sup>2</sup>/<sub>4</sub>, NE<sup>3</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub> Sec. 23; S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub> Sec. 26; NE<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> Sec. 31; NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub> Sec. 33; NE<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub> Sec. 34; W<sup>1</sup>/<sub>2</sub> Sec. 35, all in Twp. 17S. Rge. 32E., N. 14.P.M.

As the committed area within the boundaries of the cooperative area is enlarged as in Section 2 of the findings herein, the Operators' Committee shall notify the Commission promptly in writing as to such enlarged committed area named subject to the approval of the Commission administratively without further notice and formal hearing; provided, however, that any extension of the cooperative area and of the committed area beyond the limits of the cooperative area as set out in Section II of the order herein shall be upon formal petition, notice and hearing as provided by law.

III. There shall be no unitization of oil but the gas shall be utilized in the manner set out in Section 3 of the findings herein.

IV. That the management of said project shall be by the Operators' Committee as set out in Section 4 of the findings herein. Any change of membership of said Operators' Committee should be transmitted promptly in writing to the Commission.

V. That the in-pit wells referred to in Section 5 of the findings herein are hereby authorized for use as such and are more particularly described as follows:

Maljamar Oil & Gas Corp.	Wm. Mitchell	B-12	S <sup>1</sup> / <sub>2</sub> SE <sup>1</sup> / <sub>4</sub>	Sec. 19	- 17S - 32E
" " " " "	" "	B-4	SW <sup>1</sup> / <sub>4</sub> SE <sup>1</sup> / <sub>4</sub>	" 20	" "
" " " " "	" "	A-8	SW <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>	" 20	" "
" " " " "	Baish	A-8	SW <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>	" 21	" "
" " " " "	" "	A-1	NE <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub>	" 21	" "
" " " " "	" "	B-6	SW <sup>1</sup> / <sub>4</sub> SE <sup>1</sup> / <sub>4</sub>	" 21	" "
Carper Drilling Company	Simon	4-N	SW <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>	" 29	" "
" " " "	Simon	8-N	SW <sup>1</sup> / <sub>4</sub> SE <sup>1</sup> / <sub>4</sub>	" 29	" "

Keweenaw Oil Company	B-15	SW $\frac{1}{4}$ NW $\frac{1}{4}$	Sec. 28 - 17S - 32E
" " "	B-29	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 28 " "
" " "	B-9	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 27 " "
" " "	B-11	SW $\frac{1}{4}$ SE $\frac{1}{4}$	" 27 " "
Barney Cockburn Miller	A-6	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" 26 " "

The selection of other in-put wells within the area committed and for the further area to be committed within the cooperative area described in Section II of the order herein shall be submitted to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

VI. That said 13 in-put wells described in Section V of the order herein are hereby assigned the top allowable for one year beginning with the effective date of this order. Thereafter, said in-put wells if further used as such shall have such allowable for such period of time as determined by the Commission administratively; likewise, other in-put wells authorized to be selected as provided in Section V of the order herein shall have such allowable for such period of time as field tests to the Commission may seem advisable.

Sixty percent of the allowable lost by in-put wells shall be redistributed to all the other top allowable proration units within the committed area by dividing the above mentioned amount lost through the use of in-put wells by the number of top allowable producing wells in the committed area and the amount so determined would be added to the regular top allowable for each well. If the operators subject to said agreement do not desire to produce such excess allowable during any month the Operators' Committee would in that event notify the Commission before the allowable for such month is fixed and not later than the 25th day of the month preceding.

VII. That the proration units within the committed area shall not exceed the production of 44 barrels of oil daily should the current allowable in the future exceed that amount; subject, however, to the right of the Operators' Committee to petition the Commission administratively, by the 25th day of the month before the fixing of any monthly allowable, to change or modify such maximum allowable for the committed area.

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

Order No. 659

Relating to the Grayburg Cooperative and Unit Agreement of Eddy County, New Mexico, issued June 7, 1946.

**FINDINGS:**

SECTION A. The Grayburg Cooperative and Unit Agreement of Eddy County, New Mexico, is a repressuring and pressure maintenance project in which several wells are either now being used or anticipated to be used as input wells. Such use incurs lost allowable for such wells and such lost allowable

should be permitted to be taken from other wells on the same basic lease.

SECTION B. Said project consists entirely of lands under United States Government leases or permits and is defined as follows:

N.M.P.M., Eddy County, New Mexico:

TWP. 17S, Range 29E  
Sec. 13, 32;  
Secs. 23 to 26, inclusive, all;

TWP. 17S, Range 30E  
Sec. 18, all  
Sec. 19, all  
Sec. 30, all

SECTION C. The following wells are now being used as in-put wells and are capable of producing the top unit allowable:

Grayburg-U.S. 9B, UNSE Sec. 26, Twp. 17S, R. 29E.  
Western-U.S. 12C, SWNE Sec. 25, 17S, 29E.

IT IS HEREBY ORDERED THAT:

SECTION 1. The two in-put wells specifically described in the foregoing findings shall be permitted to produce lost allowables as top unit allowable wells from other wells in other proration units upon the same basic lease within said project. In addition thereto said wells shall be permitted in the same manner to make up back allowables from May 1, 1946, not to exceed the maximum back allowable rate currently prescribed by the Commission.

SECTION 2. Any other in-put well may be permitted by the Commission administratively through its authorized agent and without hearing to produce allowable lost in the use as an in-put well from other wells upon other proration units within the same basic lease. A satisfactory showing shall be made by the operator as to the rating of such in-put well as marginal or non-marginal immediately prior to the time it was first used as an in-put well for the purpose of determining the amount of allowable to which such in-put well may be entitled.

SECTION 3. Termination of the permission to take allowable lost by any in-put well from other wells upon the same basic lease shall be accomplished in the same manner as prescribed above for the obtaining of such permission.

SECTION 4. Application to produce allowable lost by any in-put well from other wells upon the same basic lease shall be by the operator upon Form C-102 in triplicate showing all pertinent data for the purpose herein as follows:

Description of the in-put well, the name and number of the basic lease, said in-put well's rating as marginal or non-marginal, the description of each well upon the same basic lease from which a part of the in-put well allowable is to be produced. When said C-102 is approved as herein indicated, it shall constitute the permit. Application to terminate such permit may be made in the same manner as far as pertinent to the purpose and when approved as herein indicated shall constitute the termination of such permit.

Both the permit and the termination thereof must be effective as of the beginning of a proration month. When any such C-102 as mentioned in this section is thus approved the distribution thereof shall be as follows:

The Commission shall retain one copy at Santa Fe, New Mexico  
One copy shall be transmitted to the operator.  
One copy shall be transmitted to the Proration Office, Hobbs,  
New Mexico.

SECTION 5. When any in-put well is permitted to produce its allowable from other wells upon other proration units in the same basic lease, the operator shall send monthly to the Proration Office in time for inclusion in the proration schedule, a nomination showing the desired distribution of the in-put well allowable in even number of barrels to each of the other wells upon other proration units.

SECTION 6. The effective date of this order shall be July 1, 1946.

Order No. 338

Relating to Culbertson-Irwin Pressure Maintenance Project, issued July 25, 1941.

IT IS THEREFORE ORDERED:

1. That the portion of the Langlie Pool in Lea County, which is referred to in petitioner's petition, is hereby defined as including the following tracts of land, to-wit:

W/2 of the W/2, Section 3, Township 25S,  
Range 37E. N.M.P.M.

2. That the proposed plan as set out in petitioner's petition shall hereafter be designated as the "Culbertson & Irwin - Liberty Royalties Lease Project in NE Langlie Area."

3. That the plan set forth in the petitioner's petition is hereby approved in its general aspects.

4. That the use of said well No. 3 as an input well for gas in accordance with the plan set out in the petitioner's petition is hereby authorized.

5. That so long as said well #3 shall be used as a gas input well in accordance with the proposals set out in the petitioner's petition, said well No. 3 is hereby authorized to produce its present production, as determined by official test, from wells Nos. 1 and 2, or either of them, as may be advisable; provided that said allowable for well No. 3 shall not at any time exceed the Langlie Pool unit top allowable for any particular month and provided further that the production of such allowable for said well No. 3, through said wells Nos. 1 and 2, or either of them, shall in no wise effect the allowable assigned to the latter two wells.

6. That this order shall become effective on the first day of the proration month succeeding the month during which the Commission is notified by

the petitioner that the plan proposed in petitioner's petition is ready to go into operation and confirmation thereof by an authorized agent of the Commission.

Order No. 340

Relating to Langlie Unitized Repressuring Project, issued January 28, 1941.

IT IS THEREFORE ORDERED:

1. That that portion of the Langlie Pool in Lea County, New Mexico, which is referred to in Paragraph 1 of petitioners' petition, is hereby defined as including the following tracts of land, to-wit:

S/2 of SW/4 of Section 4; and the S/2 of SE/4 and the SE/4 of SW/4 of Section 5; and the E/2 and the E/2 of the NW/4 of Section 8; and the W/2 of Section 9, all in Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. That the proposed plan for conserving the reservoir energy in the said field as referred to in the petition and as incorporated in the "Langlie Area Unitization Agreement", shall hereafter be known as the Langlie Unitized Repressuring Project.

3. (a) That for the purpose of proration the total amount of oil now or hereafter allocated to the developed forty-acre units within the participating area shall be allocated to the participating area as a unit. In determining the total allocation in the participating unit as set out hereinbefore, those wells capable of producing the Langlie Pool top allowable upon the effective date of this order and those wells thereafter so capable, shall hereafter be considered as capable of producing the Langlie Pool current monthly top allowable throughout the life of the Project. The allowable for any marginal well shall not be decreased during the life of the Project, provided however that in no event shall the allowable for such wells exceed the current top allowable for the Langlie Pool.

Any well used as an input well shall then and thereafter be given the top allowable for the Langlie Pool. The use of any input well shall first be approved by the regulatory body having jurisdiction in the instant case.

(b) That permissible back allowable accumulated in favor of all of the units in said area are similarly allocated to the unit as a whole, with similar permission to produce same from the wells best adapted for the purpose.

4. That this order shall become effective on the first day of the month succeeding the month in which the Secretary of the Interior shall approve said Langlie Unitized Repressuring Project.

Order No. 779

Relating to spacing in the Crossroads Pool, Lea County, issued July 27, 1948.

IT IS THEREFORE ORDERED:

SECTION 1. That the Mid-Continent, Sawyer No. 1 well, located in the center of the SW $\frac{1}{4}$ SE $\frac{1}{4}$  section 27, is producing from the Devonian formation, a new common source of supply not heretofore discovered and produced in the State, and that the probable area for such production is as follows:

West half of section 26,  
All of section 27,  
East half of section 28,  
East half of section 33,  
All of section 34,  
West half of section 35,  
All in Township 9 South,  
Range 36 East,  
Lea County, New Mexico

That this order is meant to cover all of the Devonian formation common source of supply productive in the Mid-Continent, Sawyer No. 1, located in the center of the SW $\frac{1}{4}$ SE $\frac{1}{4}$  section 27, and any well drilled within, or outside the area spaced herein, to the same common source of supply as an extension thereof, shall be drilled on the pattern provided for herein.

SECTION 2. That 80-acre spacing and drilling units be established as hereinafter provided for the production of oil and gas from the Devonian formation underlying the area as hereinabove set forth.

SECTION 3. That each governmental quarter section be divided into two rectangular spacing units by a line drawn through such quarter section, all as shown on a plat attached hereto, and made a part hereof, and marked Exhibit "A", with the wells to be drilled, one in the center of the northeast quarter and one in the center of the southwest quarter of each quarter section, all as shown on Exhibit "A"; however, if surface conditions justify, locations may be made within a radius of 150 feet from the centers thereof, provided further, however, that the units within a quarter section, as established by this order as shown on Exhibit "A", may be changed by agreement of the operators within said quarter section upon proper showing to the Commission.

SECTION 4. That the allowable be assigned on the basis of proration units as herein established, and any proration unit of less than the normal one-half of a governmental quarter section as the result of an exception granted by the Commission after notice and hearing, shall be assigned an allowable in proportion to the assignable acreage of that unit as it bears to the normal one-half of a governmental quarter section.

SECTION 5. That the daily oil allowable of a normal unit of one-half of a quarter section assigned to the discovery well and all other wells hereafter drilled and produced in accordance with the terms of this order shall be the proportional factor of 6.75 times top allowable until such time as the Commission may issue such further and additional orders as may be deemed necessary.

SECTION 6. All rules, regulations and orders heretofore issued by this Commission which may conflict herewith are superseded, only with respect to Devonian formation production below 12,000 feet in the Crossroads Pool.

SECTION 7. That this order shall become effective on August 16, 1948.

SECTION 8. The Commission retains jurisdiction in this case for the purpose of issuing such further and additional orders as may be necessary to meet changed conditions, preclude inequities, and preserve correlative rights; all upon the motion of the Commission or upon the petition of any interested operator upon a public hearing, after notice as provided by law.

Order No. 846

Relating to spacing in the Hightower Pool, Lea County, issued November 18, 1949.

IT IS THEREFORE ORDERED:

1. That the Amerada-State BTB No. 1 well located in the center of NW/4 NW/4 of section 26, Township 12 south, Range 33 east, N.M.P.M. is producing oil from the Devonian formation, a newly discovered common source of supply not heretofore discovered and produced in New Mexico, and that the probable area for such production is as follows:

All of sections 22, 23, 26 and 27, in Township 12 south, Range 33 east, N.M.P.M. (Hightower pool) Lea County, New Mexico.

2. That it is the intent of this order to cover all of the Devonian formation common source of supply within the area designated herein, and upon any regular additions to the Hightower pool which may from time to time be made, and that any well within said designated area to the same common source of supply shall be drilled on the pattern herein provided,

3. That 80-acre spacing and drilling units be established as hereinafter provided, for the production of oil and gas from the Devonian formation underlying the area as hereinabove described.

4. That each governmental quarter section be divided into two equal rectangular spacing units by a line drawn north-south through such quarter section, and with wells to be drilled in the center of the northwest and southeast forty acre tracts of each such spacing unit, with a tolerance of not in excess of 150 ft. provided, however, that the units within may be changed by agreement of operators within any quarter section of the designated area upon proper showing before the Commission.

5. That allowable shall be assigned on the basis of proration units as herein established, and any proration unit of less than the normal one-half of a governmental quarter section as the result of an exception granted by the Commission after notice and hearing, shall be assigned an allowable in proportion that the acreage thereof bears to the 80-acre spacing unit - or one-half of a quarter section.

6. That the daily oil allowable for an 80-acre unit provided for herein shall be assigned to the Amerada-State BTB No. 1 well, the discovery well, located in the approximate center of NW/4 NW/4 of section 26, Township 12 south,

Range 33 east, N.H.P.M., Lea County, New Mexico and to all other wells hereafter drilled and produced in accordance with the provisions of this order based upon the proportional factor of 4.67 times the regular top allowable until such time as the Commission may issue such further and additional orders as may be deemed necessary herein.

7. All rules, regulations and orders heretofore issued by this Commission which may conflict herewith are superseded, only with respect to the Devonian formation production at the approximate depth of 10,090 ft.-10,200 ft. in the Hightower pool.

8. That this Order shall be in full force and effect from and after December 1, 1949.

9. That the Commission retains jurisdiction of this case for the purpose of issuing such further and additional orders as may seem necessary to meet changed conditions, preclude inequities and preserve correlative rights; all upon the motion of the Commission or upon the petition of any interested operator upon public hearing, after notice as provided by law.

C O R R E C T I O N   O R D E R

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO  
SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE  
OIL CONSERVATION COMMISSION UPON ITS OWN  
MOTION FOR AN ORDER CORRECTING ORDER  
NUMBER 850, ISSUED IN CASE NUMBER 189.

CASE NO. 189  
ORDER NO. R-117

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that the order heretofore entered in Case Number 189, called by the Oil Conservation Commission of New Mexico upon its own motion for the purpose of considering Rules and Regulations, is not a correct memorial of the judgment as rendered and announced by this Commission in that Order Number 708 approving the Scheurich Unit Agreement was included in the list of orders relating to approval of unit agreements which were not repealed and rescinded by said Order Number 850, as said Order was rendered and announced by the Commission.

WHEREAS through inadvertence and a clerical error, said Order Number 708 was omitted from Order Number 850, Paragraph 1, Sub-section b., being the list of orders relating to unit agreements not repealed or rescinded by Order Number 850.

THEREFORE, IT IS HEREBY ORDERED, that the order heretofore entered by this Commission in Case Number 189 on the 9th day of December, 1949, be, and the same hereby is corrected to conform to the actual judgment and order announced and rendered by the Commission by modifying Paragraph 1, Sub-section b., Order Number 850, to read as follows:

1. b. Orders relating to approval of unit agreements numbers 570, 583, 603, 602, 628, 629, 648, 655, 656, 676, 677, 684, 706, 708, 717, 731, 737, 755, 759, 772, 774, 786, 794, 796, 836, and said order in all other respects is hereby ratified and confirmed, and,

IT IS FURTHER ORDERED, that this order correcting the record of said order be entered nunc pro tunc as of the 9th day of December, 1949, that being the date when said order was originally made and entered.

DONE at Santa Fe, New Mexico, this 20<sup>th</sup> day of November, 1951.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*  
EDWIN L. MECHEM, Chairman

*Guy Shepard*  
GUY SHEPARD, Member

*R. R. Spurrler*  
R. R. SPURRLER, Secretary

**AFFIDAVIT OF PUBLICATION**

State of New Mexico,  
County of Lea

I, Robert L. Summers  
Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of One time  
weeks

beginning with the issue dated

October 16, 1949

and ending with the issue dated

October 16, 1949

Robert L. Summers  
Publisher.

Sworn and subscribed to before me

this 17 day of

October, 1949.

Betty Beal  
Notary Public.

My commission expires

January 25, 1953  
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

**LEGAL NOTICE**  
Oct. 16, 1949

**NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION**

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held November 1, 1949, beginning at 10:00 o'clock a. m. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

**STATE OF NEW MEXICO TO:**  
All named parties in the following cases, and notice to the public:

**Case 189**

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises. This is a readvertisement.

**Case 198**

In the matter of the application of Amerada Petroleum Corporation for an order establishing proration units and uniform spacing of wells for the common source of supply discovered in Amerada-State BTB No. 1 well, in NW 1/4-NW 1/4 of Section 26, Township 12 South, Range 33 East, N. M. P. M., Bagley Area, Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on October 13, 1949.

STATE OF NEW MEXICO,  
OIL CONSERVATION  
COMMISSION,  
(SEAL) R. R. Spurrier,  
Secretary.

October 13, 1949

HOBBS NEWS SUN  
Hobbs, New Mexico

RE: Cases 189 and 198  
Notice of Publication

Gentlemen:

Please publish the enclosed notice once, immediately. Please proofread the notice carefully, and send a copy of the paper carrying such notice, to this office.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by signed voucher, which is enclosed.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held November 1, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases,  
and notice to the public:

Case 189

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises. This is a readvertisement.

Case 196

In the matter of the application of Amerada Petroleum Corporation for an order establishing proration units and uniform spacing of wells for the common source of supply discovered in Amerada-State BTB #1 well, in NW/4, NW/4 of Section 26, Township 12 South, Range 33 East, N.M.P.M., Bagley Area, Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on October 13, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

October 13, 1949

CARLETON GARDNER ARGUS  
Carlsbad, New Mexico

RE: Cases 189, 197 and 199  
Notice of Publication

Gentlemen:

Please publish the enclosed notice once, immediately. Please proofread the notice carefully, and send a copy of the paper carrying such notice, to this office.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT OF DENUICIATION.

For payment please submit statement in duplicate, accompanied by signed voucher, which is enclosed.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:hw  
encl.

October 13, 1949

SANTA FE NEW MEXICAN  
Santa Fe, New Mexico

RE: Cases 189, 197, 198 and 199  
Notice of Publication

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully, and send a copy of the paper carrying such notice, to this office.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by signed voucher, which is enclosed.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

October 13, 1949

Mr. Al Greer  
P. O. Box 337  
Aztec, New Mexico

Dear Al:

Enclosed herewith is a copy of Notice of Publication, covering Cases 189, 197, 198 and 199, in connection with the hearing to be held in Santa Fe, on November 1, 1949.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

October 13, 1949

Oil Conservation Commission  
205 Booker Building  
Artesia, New Mexico

Gentlemen:

Enclosed herewith is a copy of Notice of Publication, covering Cases 189, 197, 198 and 199, in connection with the hearing to be held in Santa Fe, on November 1, 1949.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

October 13, 1949

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

Enclosed herewith is a copy of Notice of Publication, covering Cases 189, 197, 198 and 199, in connection with the hearing to be held in Santa Fe, on November 1, 1949.

Very truly yours,

R. E. Spurrier  
Secretary-Director

RRS:bw  
encl.

P.S. This Notice should go to the entire mailing list.

October 13, 1949

Oil Conservation Commission  
P. O. Box 1545  
Hobbs, New Mexico

Gentlemen:

Enclosed herewith is a copy of Notice of Publication, covering Cases 189, 197, 198 and 199, in connection with the hearing to be held in Santa Fe, on November 1, 1949.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

September 30, 1949

Oil Conservation Commission  
P. O. Box 1545  
Hobbs, New Mexico

Gentlemen:

We are enclosing herewith, copy of transcript of hearing held by the Oil Conservation Commission on September 7, 1949. This is in connection with Case No. 189.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
enal.

September 30, 1949

Oil Conservation Commission  
205 Booker Building  
Artesia, New Mexico

Gentlemen:

We are enclosing herewith, copy of transcript of hearing held by the Oil Conservation Commission on September 7, 1949. This is in connection with Case No. 189.

Very truly yours,

R. R. Spurrer  
Secretary-Director

RRS:bw  
encl.

September 30, 1949

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

We are enclosing herewith, copy of transcript of hearing held by the Oil Conservation Commission on September 7, 1949. This is in connection with Case No. 189.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held September 7, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

The Advisory Committee, appointed May 6, 1949 for revision of general rules and regulations of the Oil Conservation Commission which revision became necessary by reason of the enactment of Chapter 168 of the New Mexico Laws of 1949, as follows:

Charles C. Cragin, Box 1492, El Paso, Texas  
Al Willig, Box 1720, Fort Worth, Texas  
✓ Glenn Staley, Drawer I, Hobbs, New Mexico ✓  
Bob Christie, Box 1348, Fort Worth, Texas  
Ralph Gray, Box 517, Artesia, New Mexico  
Lloyd Gray, Box 661, Tulsa, Oklahoma  
✓ R. S. Dewey, Box 1600, Midland, Texas ✓  
✓ James Murray, Box 1577, Hobbs, New Mexico ✓  
✓ J. R. Cole, Box 1654, Santa Fe, New Mexico ✓  
A. T. Hannett, First National Bank Bldg., Albuquerque, New Mexico  
Elvis A. Utz, Oil Conservation Commission, Santa Fe, New Mexico

The Lea County Operators Committee, and J. W. House, its Chairman, and A. L. Decker, its Secretary and

Raymond Lamb, Wilson Oil Company, Artesia, New Mexico  
C. F. Bedford, Stanolind Oil & Gas Company, Fort Worth, Texas  
W. G. Ricketts, Amerada Petroleum Corporation, Tulsa, Oklahoma  
H. B. Hurley, Continental Oil Company, Fort Worth, Texas  
D. A. Powell, Drilling & Exploration Company, Hobbs, New Mexico  
S. G. Sanderson, Gulf Oil Corporation, Tulsa, Oklahoma  
J. N. Dunlevy, Skelly Oil Company, Hobbs, New Mexico  
Harry Leonard, Roswell, New Mexico

the Executive Committee thereof.

The San Juan Basin Operators:

✓ Dudley Cornell, Chairman, First National Bank Bldg., Albuquerque, New Mexico  
Scott R. Brown, Secretary, 102½ N. Court St., Farmington, New Mexico

and

B. B. Bradish, 2933 Monte Vista Blvd., Albuquerque, New Mexico  
P. B. English, Farmington, New Mexico

Paul Umbach, Korber Building, Albuquerque, New Mexico  
Clifford Smith, Dallas, Texas  
Joe S. Hartman, Aztec, New Mexico

the Executive Committee thereof.

Southern Union Production Company, Burt Building, Dallas, Texas  
El Paso Natural Gas Company, El Paso, Texas  
Lea County Water Company, Hobbs, New Mexico

and all other operators in oil and gas or either of them, and notice to the public;

Case 189

In the matter of the application of the Oil Conservation Commission upon its own motion to revise the rules and regulations of the Commission to conform with the provisions of Chapter 168 of the New Mexico Laws of 1949, and to consider Committee recommendation and take testimony in the premises.

Given under the seal of the Oil Conservation Commission, at Santa Fe, New Mexico on August 19, 1949.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

SEAL

September

Dear Mr. Greeson:

I took 18 pages of this to Santa Fe with me yesterday. They read it and kept the letters.

I tried to finish it up last night so that I could send it to them special delivery to get it for their meeting today.

I worked until 15 till 4 this morning and only had 50 pages finished. I was too tired to finish it. Will you explain to Mr. Spurrier that I did try to finish the work.

The quotation on page 54 could not be copied because the Oil Conservation office has that letter.

*Margaret Russell*