

Case 189
Order 850

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 189
ORDER NO. 850

RULES AND REGULATIONS

ORDER OF THE COMMISSION

BY THE COMMISSION:

After due notice and hearings in Santa Fe, New Mexico on September 7, 1949 and November 1, 1949, the Commission finds that certain rules, regulations and orders should be adopted and others repealed.

IT IS THEREFORE ORDERED:

1. All rules, regulations and orders heretofore issued by the Commission are repealed and rescinded, effective January 1, 1950, except the following orders which are of a special nature and are not of statewide application, they being:
 - a. All orders heretofore issued granting permission for specific unorthodox locations.
 - b. Orders relating to approval of unit agreements No. 570, 583, 603, 602, 628, 629, 648, 655, 656, 676, 677, 684, 706, 717, 731, 737, 755, 759, 772, 774, 786, 794, 796, 836.
 - c. Orders relating to Carbon Black Plants No. 650, 651, 724, 806.
 - d. Orders relating to spacing in the Fulcher Basin Pool No. 541, 647, 748, 815.
 - e. Orders relating to specific five (5) spot locations No. 733, 819, 826, 821, 828, 844.
 - f. Order No. 799 relating to spacing in the Blanco Pool.
 - g. Orders relating to specified pressure maintenance projects as follows:
 - (1) Loco Hills Pressure Maintenance Association, 339, 484, 498, 540, 562.
 - (2) Maljamar Cooperative Repressuring Agreement, 485, 495, 736 793.
 - (3) Grayburg Unit Association, 659, 791, 802.
 - (4) Culbertson-Irwin Pressure Maintenance Project, 388.
 - (5) Langlie Unitized Pressuring Project, 340.
 - h. Orders relating to pooling of interests in specified leases, No. 739, 780.

- i. Order No. 795 relating to a specific tank battery.
- j. Orders relating to dual completions on specified wells, No. 740, 750, 801, 810, 816, 829, 838.
- k. Order No. 831 rescinding the bonus discovery allowable.
- l. Order No. 779 relating to 80-acre spacing in the Crossroads Pool.
- m. Section 2 of Order No. 835, relating to gas-oil ratios.
- n. Order 846, establishing 80-acre spacing in Bagley-Hightower Pool.
- o. Order 33, relating to the proration plan for Monument Pool, Lea County, New Mexico.
- p. Order 398, relating to proration plan for Hobbs Pool.
- q. Orders No. 66 and 67, relating to carbon dioxide.

2. This order shall not affect in any way the validity of any statewide proration order heretofore issued.

3. An exception from the rules and regulations hereby adopted is granted until March 31, 1950, as to all presently existing oil and gas wells that have been in the past and are presently operated or the products thereof utilized in a manner differing from the requirements herein, but in compliance with former rules and regulations. If during said period the operator of any such well files with the Commission an application for a permanent exception for such well from the requirements of these rules and regulations, the temporary exception herein granted shall continue in force until the Commission has acted on such application.

4. The following rules and regulations are hereby adopted, effective January 1, 1950.

DONE at Santa Fe, New Mexico on this 9th day of December, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry
THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD, MEMBER

R. R. Spurrler
R. R. SPURRLER, SECRETARY

A - DEFINITIONS

Adjusted Allowable shall mean the allowable production a well or proration unit receives after all adjustments are made.

Allocated Pool is one in which the total oil or natural gas production is restricted and allocated to various wells therein in accordance with proration schedules.

Allowable Production shall mean that number of barrels of oil or standard cubic feet of natural gas authorized by the Commission to be produced from an allocated pool.

Back Allowable shall mean the authorized accumulative under production or shortage for a given proration unit.

Barrel shall mean 42 United States Gallons measured at 60 degrees Fahrenheit and atmospheric pressure at the sea level.

Barrel of Oil shall mean 42 United States gallons of oil, after deductions for the full amount of basic sediment, water, and other impurities present, ascertained by centrifugal or other recognized and customary test.

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

Bradenhead Gas Well shall mean any well producing gas through wellhead connections from a gas reservoir which has been successfully cased off from an underlying oil or gas reservoir.

Carbon Dioxide Gas shall mean noncombustible gas composed chiefly of carbon dioxide occurring naturally in underground rocks.

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.

Commission shall mean the Oil Conservation Commission created by Section 3, Chapter 168, Session Laws 1949.

Common Purchaser for Natural Gas shall mean any person now or hereafter engaged in purchasing from one or more producers gas produced from gas wells within each common source of supply from which it purchases. (See: Sec. 14(d), Chap. 168, Session Laws 1949)

Common Purchaser for Oil shall mean every person now engaged or hereafter engaging in the business of purchasing oil to be transported

through pipe lines. (See: Sec. 14(a), Session Laws 1949)

Common Source of Supply see Pool.

Condensate shall mean the liquid recovered at the surface that results from condensation due to reduced pressure or temperature of petroleum hydrocarbons existing in a gaseous phase in the reservoir.

Correlative Rights shall mean the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy. (See: Sec. 26 (h), Chap. 168, 1949 Session Laws)

Cubic Foot of Gas or Standard Cubic Foot of Gas, for the purposes of these rules, shall mean that volume of gas contained in one cubic foot of space and computed at a base pressure of 10 ounces per square inch above the average barometric pressure of 14.4 pounds per square inch (15.025 psia), at a standard base temperature of 60° Fahrenheit.

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

Field means the general area which is underlaid or appears to be underlaid by at least one pool; and field also includes the underground reservoir or reservoirs containing such crude petroleum oil or natural gas, or both. The words field and pool mean the same thing when only one underground reservoir is involved; however, field unlike pool may relate to two or more pools. (See: Sec. 26, Chap. 168, 1949 Session Laws)

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

Gas-Oil Ratio shall mean the ratio of the casinghead gas produced in standard cubic feet to the number of barrels of oil concurrently produced during any stated period.

Gas-Oil Ratio Adjustment shall mean the reduction in allowable of a high gas-oil ratio unit to conform with the production permitted by the limiting gas-oil ratio for that particular pool during a particular proration period.

Gas Transportation Facility shall mean a pipe line in operation serving gas wells for the transportation of natural gas, or some

other device or equipment in like operation whereby natural gas produced from gas wells connected therewith can be transported or used for consumption. (See: Sec. 26(g), Chap. 168, 1949 Session Laws)

Gas Well shall mean a well producing gas or natural gas from a common source of gas supply as determined by the Commission.

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 pool in which the unit is located.

Illegal Gas shall mean natural gas produced from a gas well in excess of the allowable determined by the Commission. (See: Sec. 15(a), Chap. 168, 1949 Session Laws)

Illegal Oil shall mean crude petroleum oil produced in excess of the allowable as fixed by the Commission (See: Sec. 15(a), Chap. 168, 1949 Session Laws)

Illegal Product shall mean any product of illegal gas or illegal oil. (See: Sec. 15(b), Chap. 168, 1949 Session Laws)

Injection or Input Well shall mean any well used for the injection of air, gas, water or other fluids into any underground stratum.

Limiting Gas-Oil Ratio shall mean the gas-oil ratio assigned by the Commission to a particular oil pool to limit the volumes of casing-head gas which may be produced from the various oil producing units within that particular pool.

Log or Well Log shall mean a systematic detailed and correct record of formations encountered in the drilling of a well.

Marginal Unit shall mean a proration unit that will not produce at a rate equal to the top unit allowable for the proration period for the pool.

Minimum Allowable shall mean the minimum amount of production from an oil or gas well which may be advisable from time to time to the end that production will repay reasonable lifting cost and thus prevent premature abandonment and resulting waste.

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 each common source of supply completely segregated.

Natural Gas or Gas shall mean any combustible vapor composed chiefly of hydrocarbons occurring naturally in a pool classified by the Commission as a gas pool.

Non-Marginal Unit shall mean a proration unit that will produce at a rate equal to the top unit allowable for the proration period for the pool

Official Gas-Oil Ratio Test shall mean the periodic gas-oil ratio test made by order of the Commission and by such method and means and in such manner as prescribed by the Commission.

Oil, Crude Oil, or Crude Petroleum Oil shall mean any petroleum hydrocarbon produced from a well in the liquid phase and which existed in a liquid phase in the reservoir.

Oil Well shall mean any well capable of producing oil and which is not a gas well as defined herein.

Operator shall mean any person or persons who, duly authorized, is in charge of the development of a lease or the operation of a producing property.

Overage or Over Production shall mean the amount of oil or the amount of natural gas produced during a proration period in excess of the amount authorized on the proration schedule.

Owner means the person who has the right to drill into and to produce from any pool, and to appropriate the production either for himself or for himself and another. (See: Sec. 26(e), Chap. 168, 1949 Session Laws)

Person means any natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator and fiduciary of any kind. (See: Sec. 26(a), Chap. 168, 1949 Session Laws)

Pool means an underground reservoir containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure, which zone is completely separated from any other zone in the structure, is covered by the word "pool" as used herein. "Pool" is synonymous with "common source of supply" and with "common reservoir". (See: Sec. 26(b), Chap. 168, 1949 Session Laws)

Potential shall mean the properly determined capacity of a well to produce oil, or gas, or both, under conditions prescribed by the Commission.

Pressure Maintenance shall mean the injection of gas or other fluid into a reservoir, either to maintain the existing pressure in such reservoir or to retard the natural decline in the reservoir pressure.

Producer shall mean the owner of well or wells capable of producing oil or natural gas or both in paying quantities.

Product means any commodity or thing made or manufactured from crude petroleum oil or natural gas, and all derivatives of crude petroleum oil or natural gas, including refined crude oil, crude tops,

topped crude, processed crude petroleum, residue from crude petroleum, cracking stock, uncracked fuel oil, treated crude oil, fuel oil, residuum, gas oil, naptha, distillate, gasoline, kerosene, benzine, wash oil, waste oil, lubricating oil, and blends or mixtures of crude petroleum oil or natural gas or any derivative thereof. (See: Sec. 26(d), Chap.168, 1949 Session Laws)

Proration Day shall consist of 24 consecutive hours which shall begin at 7 A. M. and end at 7 A. M. on the following day.

Proration Month shall mean the calendar month which shall begin at 7 A. M. on the first day of such month and end at 7 A. M. on the first day of the next succeeding month.

Proration Period shall mean for oil the proration month and for gas six consecutive calendar months which shall begin at 7 A. M. on the first day of a calendar month and end at 7 A. M. on the first day of the seventh succeeding month.

Proration Schedule shall mean the periodic order of the Commission authorizing the production, purchase and transportation of oil or of natural gas from the various units of oil or of natural gas proration in allocated pools.

Recomplete shall mean the subsequent completion of a well in a different pool from the pool in which it was originally completed.

Secondary Recovery shall mean a method of recovering quantities of oil or gas from a reservoir which quantities would not be recoverable by ordinary primary depletion methods.

Shallow Pool shall mean a pool which has a depth range from 0 to 5000 feet.

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 noted at the well head when the well is completely shut in. Not to be confused with bottom hole pressure.

Tank Bottoms shall mean that accumulation of hydrocarbon material and other substances which settle naturally below crude oil in tanks and receptacles that are used in handling and storing of crude oil, and which accumulations contains in excess of two (2%) percent of basic sediment and water; provided, however, that with respect to lease production and for lease storage tanks, a tank bottom shall be limited to that volume of the tank in which it is contained that lies below the bottom of the pipe line outlet thereto.

Top Unit Allowable for Gas shall mean the maximum number of cubic feet of natural gas, for the proration period, allocated to a gas producing unit in an allocated gas pool.

Top Unit Allowable for Oil shall mean the maximum number of barrels of oil daily for each calendar month allocated on a proration unit basis in a pool to non-marginal units.

Treating Plant shall mean any plant constructed for the purpose of wholly or partially or being used wholly or partially for reclaiming, treating, processing, or in any manner making tank bottoms or any other waste oils marketable.

Unit of Proration for Gas shall consist of such multiples of 40 acres as may be prescribed by special pool rules issued by the Commission.

Unit of Proration for Oil shall consist of tracts of land each containing approximately forty acres in the form of a square in accordance with the legal subdivision of the U. S. Public Land Surveys and each predominantly situated within the confines of a pool.

Unorthodox Well Location shall mean a location which does not conform to the spacing requirements established by the rules and regulations of the Commission.

Waste, in addition to its ordinary meaning, shall include:

(a) Underground Waste as those words are generally understood in the oil and gas business, and in any event to embrace the inefficient, excessive, or improper use or dissipation of the reservoir energy, including gas energy and water drive, of any pool, and the locating, spacing, drilling, equipping, operating or producing, of any well or wells in a manner to reduce or tend to reduce the total quantity of crude petroleum oil or natural gas ultimately recovered from any pool, and the use of inefficient underground storage of natural gas.

(b) Surface Waste as those words are generally understood in the oil and gas business, and in any event to embrace the unnecessary or excessive surface loss or destruction without beneficial use, however caused, of natural gas of any type or in any form or crude petroleum oil, or any product thereof, and including the loss or destruction, without beneficial use, resulting from evaporation, seepage, leakage, or fire, especially such loss or destruction incident to or resulting from the manner of spacing, equipping, operating or producing, well or wells, or incident to or resulting from the use of inefficient storage or from the production of crude petroleum oil or natural gas, in excess of the reasonable market demand.

(c) The production of crude petroleum oil in this state in excess of the reasonable market demand for such crude petroleum oil. Such excess production causes or results in waste which is prohibited by Chapter 168, 1949 Session Laws. The words "reasonable market demand"

as used herein with respect to crude petroleum oil, shall be construed to mean the demand for such crude petroleum oil for reasonable current requirements for current consumption and use within or outside of the state, together with the demand for such amounts as are reasonably necessary for building up or maintaining reasonable storage reserves of crude petroleum oil or the products thereof, or both such crude petroleum oil and products.

(d) The non-ratable purchase or taking of crude petroleum oil in this state. Such non-ratable taking and purchasing causes or results in waste, as defined in the subsections (a), (b), (c) of this section and causes waste by violating Section 12(a), Chapter 168, 1949 Session Laws.

(e) The production in this state of natural gas from any gas well or wells, or from any gas pool, in excess of the reasonable market demand from such source for natural gas of the type produced or in excess of the capacity of gas transportation facilities for such type of natural gas. The words "reasonable market demand" as used herein with respect to natural gas, shall be construed to mean the demand for natural gas for reasonable current requirements, for current consumption and for use within or outside the state, together with the demand for such amounts as are necessary for building up or maintaining reasonable storage reserves of natural gas or products thereof, or both such natural gas and products.

B - MISCELLANEOUS RULES

RULE 1. SCOPE OF RULES AND REGULATIONS

(a) The following General Rules of statewide application have been adopted by the Oil Conservation Commission to conserve the natural resources of the State of New Mexico, to prevent waste, and to protect correlative rights of all owners of crude oil and natural gas. Special rules, regulations and orders have been and will be issued when required and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, wherever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules will apply in each case.

(b) 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 hardship.

RULE 2. ENFORCEMENT OF LAWS, RULES AND REGULATIONS DEALING WITH CONSERVATION OF OIL AND GAS

The Commission, its agents, representatives and employees are charged with the duty and obligation of enforcing all rules and statutes of the State of New Mexico relating to the conservation of oil and gas. However, it shall be the responsibility of all the owners or operators to obtain information pertaining to the regulation of oil and gas before operations have begun.

RULE 3. WASTE PROHIBITED

(a) The production or handling of crude petroleum oil or natural gas of any type or in any form, or the handling of products thereof, in such a manner or under such conditions or in such amount as to constitute or result in waste is hereby prohibited.

(b) All operators, contractors, drillers, carriers, gas distributors, service companies, pipe pulling and salvaging contractors, or other persons shall at all times conduct their operations in the drilling, equipping, operating, producing, plugging and abandonment of oil and gas wells in a manner that will prevent waste of oil and gas, and shall not wastefully utilize oil or gas, or allow either to leak or escape from a natural reservoir, or from wells, tanks, containers, pipe or other storage, conduit or operating equipment.

RULE 4. UNITED STATES GOVERNMENT LEASES

The Commission recognizes that all persons drilling on United States government land shall comply with the United States government regulations. Such persons shall also comply with all applicable State rules and regulations which are not in conflict therewith. Copies of the "Sundry Notices and Reports on Wells" and the "Well Log" of the wells on U. S. government land shall be furnished the Commission.

RULE 5. CLASSIFYING AND DEFINING POOLS

The Commission will determine whether a particular well or pool is a gas or oil well, or a gas or oil pool, as the case may be, and from time to time classify and re-classify wells and name pools accordingly, and will determine the limits of any pool or pools producing crude petroleum oil or natural gas and from time to time re-determine such limits. Pools hereby named and defined are listed in the Appendix attached hereto.

RULE 6. FORMS UPON REQUEST

Forms for written notices, requests and reports required by the Commission will be furnished upon request. For information on forms see Appendix.

RULE 7. AUTHORITY TO COOPERATE WITH OTHER AGENCIES

The Commission may from time to time enter into arrangements with State and Federal governmental agencies, industry committees and individuals, with respect to special projects, services and studies relating to conservation of oil and gas.

C - DRILLING

RULE 101. PLUGGING BOND

(a) Any person who has drilled or is drilling or proposes to drill for oil or gas shall submit to the Commission and obtain its approval of a bond, in a form approved by the Commission, conditioned to plug such well, if dry or when abandoned, in such way as to confine the oil, gas or water in the respective strata in which they are found. The bond shall be in an amount determined by the Commission after taking into consideration the depth of the well and local conditions, but in no case shall the amount of the bond applicable to one well only, be more than \$10,000.00. Each such bond shall be executed by a responsible surety company, authorized to transact business in the State of New Mexico. In cases where the principal on the bond is drilling or operating a number of wells within the State or proposes to do so, such principal may, with the approval of the Commission, submit a blanket bond in the amount of \$10,000.00 conditioned as above provided, covering all wells which such person may at any time before such bond is released, drill or operate within this state.

(b) For the purposes of the Commission the bond required is a plugging bond, not a drilling bond, and is to endure up to and including approved plugging when the well is dry or abandoned, even though the well be a producer. Transfer of property does not release the bond. In case of transfer of property and the principal desires to be released from the bond, he should proceed as follows:

(1) The principal on the bond should notify the Commission in writing that the well, or wells, describing each well by 40-acre tract--Section, Township and Range, has or have been transferred to a certain transferee, for the purpose of ownership or operation.

(2) On the same instrument the transferee should recite that he accepts such transfer and accepts the responsibility of such well or wells under his bond tendered therewith or under his blanket bond on file with the Commission.

(c) When the Commission has approved the transfer, the transferrer

is immediately released of the plugging responsibility of the well or wells as the case may be, and if such well or wells include all the wells within the responsibility of the transferrer's bond, such bond will be released upon written notice by the Commission to that effect.

(d) The transferee of any oil or gas well or of the operation of any such well shall be responsible for the plugging of any such well and for that purpose shall submit a new plugging bond or produce the written consent of the surety of the prior plugging bond that the latter's responsibility shall continue.

(e) When the well or wells involved, or any such wells, are located on a state oil and gas lease, and the surface of the land involved was sold by the state prior to such oil and gas lease, such bond may, at the election of the principal, be conditioned not only for the plugging of such well or wells as above provided, but also to secure the payment of such damages to the livestock, range, water, crops or tangible improvements on such land as may be suffered by such purchaser or his successors in interest by reason of the development, use and occupation of the land resulting from such oil and gas leases. Any bond so conditioned must be approved, not only by the Commission, but by the Commissioner of Public Lands, in his capacity as such.

(f) Bonds conditioned to protect surface owners as aforesaid shall cover liability incurred during the entire period of oil and gas operations by the principal on the lands involved.

(g) The Commission will in writing advise the principal and sureties on any bond as to whether the plugging is approved, in order that, if the plugging is approved, liability under such bond may be formally terminated.

(h) The Secretary of the Commission is vested with power to act for the Commission as to all matters within this rule.

*Both forms--for one-well bond and blanket bond form--
distributed from Commission office at Santa Fe.

RULE 102. NOTICE OF INTENTION TO DRILL OR RECOMPLETE

Prior to the commencement of operations notice shall be delivered to the Commission of intention to drill any well for oil or gas, on Form C-101. Prior to the commencement of recompletion operations notice shall likewise be delivered to the Commission of intention to deepen or plug back to any common source of supply other than the existing producing horizon.

RULE 103. SIGN ON WELLS

Every drilling and producible well shall be identified by a sign, posted on the derrick or not more than 20 feet from such well, and such signs shall be of durable construction and the lettering thereon shall be kept in a legible condition and shall be large enough to be legible under normal conditions at a distance of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence. Each sign shall show the number of the well, the name of the lease (which shall be different or distinctive for each lease), the name of the lessee, owner or operator, and the location by quarter section, township and range.

RULE 104. WELL SPACING; ACREAGE REQUIREMENTS FOR DRILLING TRACTS

(a) Each well drilled not within the limits of a defined oil pool or a defined gas pool shall be located on a tract consisting of not less than 40 surface contiguous acres substantially in the form of a square and shall be drilled not closer than 660 feet to any boundary line of said tract.

(b) Each well drilled within a defined oil pool shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square in accordance with the legal subdivision of the United States Public Land Surveys or on a governmental quarter quarter section or lot and shall not be drilled closer than 330 feet to any boundary line of such tract or closer than 660 feet to the nearest well drilling to or capable of producing from the same pool.

(c) Each well drilled within a defined gas pool shall be located on a tract consisting of approximately 160 surface contiguous acres substantially in the form of a square in accordance with the legal subdivisions of the United States Public Land Surveys and shall not be drilled closer than 660 feet to any boundary line of the tract or closer than 1320 feet to a well drilling to or capable of producing from the same pool.

(d) Wells drilled not in conflict with the three preceding paragraphs are orthodox locations.

(e) The Commission may grant an exception to the above requirements whenever the Commission shall determine after notice

and hearing that the unit is partly outside a defined oil pool or a defined gas 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 of 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 drawn to the scale of 1-inch equals 660 feet accurately showing to scale the property on which the exception is sought and accurately showing to scale all other completed drilling and permitted wells on this property and all adjoining surrounding properties. The application shall be verified by some person acquainted with the facts and sworn to before a notary public. In addition to the published notice of the hearing elsewhere herein required, a 10-days written notice shall be given by the Commission by mailing by registered mail to all adjoining lessees. The names and addresses of such adjoining lessees shall be given in the application.

(f) The Secretary of the Commission shall have authority to grant an exception to the requirements of (a), (b) and (c) above without notice and hearing where application has been filed in due form and

1. The necessity for the unorthodox location is based on topographical conditions, and
2. a) The ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or
b) All owners of oil and gas leases within such radius consent in writing to the proposed location.

(g) Whenever an exception is granted, the Commission may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location.

(h) If the drilling tract is within an allocated oil pool or is placed within such allocated pool at any time after completion of the well and the drilling tract consists of less than $39\frac{1}{2}$ acres or more than $40\frac{1}{2}$ acres, the top unit allowable for such well shall be increased or decreased in the proportion that the number of acres in the drilling tract bears to 40

(i) If the drilling tract is within an allocated gas pool or is placed within such allocated pool at any time after completion of the well and the drilling tract consists of less than 158 acres or more than 162 acres, the top unit allowable for such well shall be increased or decreased in the proportion that the number of acres in the drilling tract bears to 160.

(j) In computing acreage under (h) and (i) above, minor fractions of an acre shall not be counted but $\frac{1}{2}$ acre or more shall count as 1 acre.

(k) The provisions of (h), (i) and (j) above shall apply only to wells completed after the effective date of this rule. Nothing herein contained shall affect in any manner any well completed prior to the effective date of this rule and no adjustments shall be made in the allowable production for any such wells by reason of these rules.

(l) In order to prevent waste the Commission may, after notice and hearing, fix different spacing requirements and require greater acreage for drilling tracts in any defined oil pool or in any defined gas pool notwithstanding the provisions of (b) and (c) above.

RULE 105. PIT FOR CLAY, SHALE AND DRILL CUTTINGS

In order to assure a supply of proper material for mud-laden fluid to confine oil, gas or water to their native strata during the drilling of any well, operators shall provide before drilling is commenced an adequate pit for the accumulation of drill cuttings.

RULE 106. SEALING OFF STRATA

(a) During the drilling of any oil or natural gas well, all oil, gas and water strata above the producing horizon shall be sealed or separated in order to prevent their contents from passing into other strata.

(b) All fresh waters and waters of present or probable 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 precautions by methods satisfactory to the Commission shall be taken in drilling and abandoning wells to guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil or gas.

(c) All water shall be shut off and excluded from the various oil and gas bearing strata which are penetrated. Water shut-offs shall ordinarily be made by cementing casing or landing casing with or without the use of mud-laden fluid.

RULE 107. CASING AND TUBING REQUIREMENTS

(a) 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.

(b) 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. Surface casing shall stand cemented for at least 24 hours before drilling plug or initiating

tests. All other strings of casing shall stand cemented for at least 30 hours before drilling plug or initiating tests. Cementing shall be by the pump and plug method, or other method approved by the Commission.

(c) All flowing wells shall be tubed, the tubing shall be set as near the bottom as practical, but tubing perforations shall not be more than 250 feet above the top of pay, unless authorized by the Commission. The bottom of the tubing shall be restricted to an opening of less than one inch or bull plugged in order to prevent loss of pressure bombs or other devices.

RULE 108. DEFECTIVE CASING OR CEMENTING

In any well that appears to have a defective casing program, faulty cemented or corroded casing which will permit or may create underground waste, the operator shall proceed with diligence to use the appropriate method and means to eliminate such hazard of underground waste. If such hazard of waste cannot be eliminated, the well shall be properly plugged and abandoned.

RULE 109. BLOW OUT PREVENTION

IN drilling in areas where high pressures are likely to exist, all proper and usual precautions shall be taken for keeping the well under control, including the use of blow-out preventers and high pressure fittings attached to properly cemented casing strings.

RULE 110. PULLING OUTSIDE STRINGS OF CASING

In pulling outside strings of casing from any oil or gas well, the space outside the casing left in the hole shall be kept and left full of mud-laden fluid or cement of adequate specific gravity to seal off all fresh and salt water strata and any strata bearing oil or gas not producing.

RULE 111. DEVIATION TESTS

(a) When any well is drilled or deepened with rotary tools, tests to determine the deviation from the vertical shall be taken. When the deviation from the vertical in any 500 foot interval averages more than 5 degrees, a directional survey shall be filed with the Commission before any oil or gas from the well is sold so as to determine that the bottom of the hole is on the lease where the well is drilled.

(b) A deviational and directional survey shall be made and filed with the Commission on any well utilizing a whipstock or any method of deviating the well bore in a predetermined direction except to sidetrack junk in the hole, straighten a crooked hole or to control a blow-out. Special permits may be obtained to directionally drill in a predetermined direction as limited above, only after a hearing before the Commission.

RULE 112. MULTIPLE ZONE COMPLETIONS

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

(b) The application for such hearing shall be accompanied by an exhibit showing the location of all wells on applicant's lease and all offset wells on offset leases, and shall set forth all material facts on the common sources of supply involved, and the manner and method of completion proposed.

RULE 113. SHOOTING AND CHEMICAL TREATMENT OF WELLS

If injury results to the producing formation, casing or casing seat from shooting or treating a well, the operator shall proceed with diligence to use the appropriate method and means for rectifying such damage. If shooting or chemical treating results in irreparable injury to the well the Commission may require the operator to properly plug and abandon the well.

RULE 114. SAFETY REGULATION

(a) All oil wells shall be cleaned into a pit or tank, not less than 40 feet from the derrick floor and 150 feet from any fire hazard. All flowing oil wells must be produced through an oil and gas separator of ample capacity and in good working order. No boiler or portable electric lighting generator shall be placed or remain nearer than 150 feet to any producing well or oil tank. Any rubbish or debris that might constitute a fire hazard shall be removed to a distance of at least 150 feet from the vicinity of wells and tanks. All waste shall be burned or disposed of in such manner as to avoid creating a fire hazard.

(b) When coming out of the hole with drill pipe, drilling fluid shall be circulated until equalized and subsequently drilling fluid level shall be maintained at a height sufficient to control subsurface pressures. During course of drilling, blow-out preventers shall be tested at least once each 24 hour period.

RULE 115. WELL AND LEASE EQUIPMENT

Christmas tree fittings or wellhead connections with a working pressure equivalent to at least 150% of the calculated or known pressure in the reservoir from which production is expected shall be installed and maintained in first class condition so that on flowing wells, gas-oil ratio, static bottom-hole or other pressure tests may be easily made. Valves shall be installed and maintained in good working order to permit pressures to be obtained on both casing and tubing. Each flowing well shall be equipped to control properly the flowing of each well, and in case of an oil well, shall be produced into an oil and gas separator of a type generally used in the industry.

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

All persons controlling or operating any oil or gas well or pipe line, or receiving tank, storage tank, or receiving and storage receptacle into which crude oil is produced, received or stored, or through which oil is piped or transported, shall immediately notify the Commission by letter giving full details concerning all fires which occur at such oil or gas well or tank or receptacle on their property, and all such persons shall immediately report all tanks or receptacles struck by lightning and any other fire which destroys oil or gas, and shall immediately report any breaks or leaks in or from tanks or receptacles and pipe lines from which oil or gas is escaping or has escaped. In all such reports of fires, breaks, leaks or escapes, or other accidents of this nature, the location of the well, tank, receptacle, or line break shall be given by Section, Township, Range and property, so that the exact location thereof can be readily located on the ground. Such report shall likewise specify what steps have been taken or are in progress to remedy the situation reported; and shall detail the quantity of oil or gas lost, destroyed or permitted to escape. In case any tank or receptacle is permitted to run over, the amount running over shall be reported as in the case of a leak. The report hereby required as to oil losses shall be necessary only in case such losses exceed 100 barrels in the aggregate during any proration period.

RULE 117. WELL LOG, COMPLETION AND WORKOVER REPORTS

Within 20 days after the completion of a well drilled for oil or gas, or the recompletion of a well into a different common source of supply, a completion report shall be filed with the Commission on Form C-105. For the purpose of this rule, any hole drilled or cored below fresh water or which penetrates oil or gas-bearing formations or which is drilled by an "owner" as defined herein shall be presumed to be a well drilled for oil or gas.

D - ABANDONMENT AND PLUGGING OF WELLS

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 Form C-102, 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 lessees, giving the names of such lessees 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 securing the approval of the Commission, as to the time plugging operations are to begin. He shall, however, file the regular notification form.

RULE 202. METHOD OF PLUGGING

(a) Before any well is abandoned, it shall be plugged in a manner which will confine permanently all oil, gas and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inches in diameter set in concrete, and extending at least four feet above mean ground level. Seismic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

(b) If a well is to be abandoned temporarily and no casing pulled, then a plug shall be placed at the top and bottom of the casing in such manner as to prevent the intrusion of any foreign matter into the well.

(c) When drilling operations have been suspended for 60 days, the well shall be plugged and abandoned unless a permit for temporary abandonment shall be obtained from the Commission.

RULE 203. WELLS TO BE USED FOR FRESH WATER

When the well to be plugged may safely be used as a fresh water well and such utilization is desired by the landowner, the well need not be filled above a sealing plug set below the fresh water formation; provided that, written authority for such use shall be secured from the landowner and filed with the Commission.

RULE 204. LIABILITY

The owner of any well drilled for oil or gas, or any seismic, core or other exploratory holes, whether cased or uncased, shall be responsible for the plugging thereof.

E - OIL PRODUCTION OPERATING PRACTICES

RULE 301. GAS-OIL RATIO TEST

(a) Each operator shall take a gas-oil ratio test within 30 days following the completion or recompletion of an oil well. Also, each operator shall make an annual gas-oil ratio test of each well during the month which contains the anniversary date of the discovery well, in the pool in which the well is located, 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. The results of such test shall be reported on Form C-116 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 explanation is given. Provided, however, that no gas-oil ratio tests shall be required as to the following wells:

(1) Any well for which a permit has been granted and which is being used as an input well for the injection of gas, or

(2) Any well in a pool exempted from the requirements of this rule after hearing by the Commission.

(b) Even though no gas-oil ratio test is required to be taken, the operator shall annually file Form C-116 and shall show thereon the reason no test was taken.

RULE 302. SUBSURFACE PRESSURE TESTS ON NEW POOLS

The operator shall make a subsurface pressure test on the discovery well of any new pool hereafter discovered, and shall report the results thereof to the Commission within 30 days after the completion of such discovery well. During the month which contains the anniversary date of the discovery well for each pool, or at such other periods as the Commission directs, all operators within the same pool shall make each year a subsurface pressure test on all flowing wells in the pool. This test shall be made by a person qualified by both training and experience to make such test, and with an approved subsurface pressure instrument which shall have been calibrated both prior and subsequent to such test against an approved dead weight tester. Provided the prior and subsequent calibrations agree within one percent, the accuracy of the instrument shall be considered acceptable. All wells shall remain completely shut-in for at least twenty four hours prior to the test. The subsurface determination shall be obtained as close as possible to the midpoint of the productive sand of the reservoir. The report shall be on Form C-103 and shall state the name of the pool, the name of the operator and lease, the well number, the sub-sea depth in feet of the reservoir datum plane, the well head elevation above sea level, the depth in feet to the top of the producing formation or top of perforations, whichever is the lower, the date of the test, the total number of hours the well was shut in prior to the test, the subsurface temperature in degrees Fahrenheit at the test depth, the depth in feet at which the subsurface pressure test was made, the observed pressure in pounds per square inch gauge at the test depth, and the corrected pressure computed from applying to the observed pressure the appropriate

corrections for calibration, temperature, and differences in depth between test depth and reservoir datum plane.

RULE 303. COMINGLING OF OIL FROM POOLS

Each pool shall be produced as a single common reservoir and the wells therein shall be completed, cased, maintained and operated as the producing media for that specific pool, and the production of oil therefrom shall at all times be actually segregated into separate, identified tanks, and the comingling or confusion of such production, before marketing, with fluid hydrocarbons produced from other and distinct pools or fields in any tank or tanks is strictly prohibited.

RULE 304. CONTROL OF MULTIPLE COMPLETED WELLS

Multiple completed wells which have been authorized by the Commission shall at all times be operated, produced and maintained in a manner to insure the complete segregation of the various common sources of supply. The Commission may require such tests as it deems necessary to determine the effectiveness of the segregation of the different common sources of supply.

RULE 305. METERED CASINGHEAD GAS

The owner of a lease shall not be required to measure the exact amount of casinghead gas produced and used by him for fuel purposes in the development and normal operation of the lease. All casinghead gas produced and sold or transported away from a lease, except small amounts of flare gas, shall be metered and reported in standard cubic feet monthly to the Commission. The amount of casinghead gas sold in small quantities for use in the field may be calculated upon a basis generally acceptable in the industry, or upon a basis approved by the Commission in lieu of meter measurements.

RULE 306. VENTED CASINGHEAD GAS

Pending arrangement for disposition for some useful purpose, all vented casinghead gas shall be burned, and the estimated volume reported on Form C-115.

RULE 307. USE OF VACUUM PUMPS

Vacuum pumps or other devices shall not be used for the purpose of creating a partial vacuum in any stratum containing oil or gas.

RULE 308. SALT OR SULPHUR WATER

Operators shall report monthly on Form C-115, the amount or percentage of salt or sulphur water produced ~~with the well by each well~~ making 2% or more water.

RULE 309. CENTRAL TANK BATTERIES

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.

RULE 310. OIL TANKS AND FIRE WALLS

Oil shall not be stored or retained in earthen reservoirs, or in open receptacles. Dikes or fire walls shall not be required except such fire walls must be erected and kept around all permanent oil tanks, or battery of tanks that are within the corporate limits of any city, town, or village, or where such tanks are closer than 150 feet to any producing oil or gas well or 500 feet to any highway or inhabited dwelling or closer than 1000 feet to any school or church; or where such tanks are so located as to be deemed an objectionable hazard within the discretion of the Commission. Where fire walls are required, fire walls shall form a reservoir having a capacity one-third larger than the capacity of the enclosed tank or tanks.

RULE 311. TANK CLEANING PERMIT

No tank bottom shall be removed from any tank used for the storage of crude petroleum oil unless and until application for tank cleaning permit is approved by Agent of the Commission. To obtain approval, owner shall submit Commission's Form C-117 reporting an accurate gauge of the contents of the tank and the amount of merchantable oil determinable from a representative sample of the tank bottom by the standard centrifugal test as prescribed by the American Petroleum Institute's code for measuring, sampling, and testing crude oil. Number 25, Section 5. The amount of merchantable oil shall be shown as a separate item on Commission Form C-115, and shall be charged against the allowable of the unit or units producing into such tank or pit where such merchantable oil accumulated. Nothing contained in this rule shall apply to the use of tank bottoms on the originating lease where owner retains custody and control of the tank bottom or to the treating of tank bottoms by operator where the merchantable oil recovered is disposed of through a duly authorized transporter and is reported on Commission Form C-115. Nothing contained in this Rule shall apply to reclaiming of pipe line break oil or the treating of tank bottoms at a pipe line station, crude oil storage terminal or refinery or to the treating by a gasoline plant operator of oil and other catchings collected in traps and drips in the gas gathering lines connected to gasoline plants and in scrubbers at such plants.

RULE 312. TREATING PLANT

No treating plant shall operate except in conformity with the following provisions:

(a) Before construction of a treating plant and upon written application for treating plant permit stating in detail the location, type, and capacity of the plant contemplated and method of processing proposed, the Commission in not less than 20 days will set such application for hearing to determine whether the proposed plant and method of processing will actually and efficiently process, treat and reclaim tank bottom emulsion and other waste oils, and whether there is need for such a plant at the proposed location thereof. Before actual operations are begun, the permittee shall file with the Commission a surety bond of performance satisfactory to the Commission and payable in the amount of \$25,000.00 to the Commission of the State of New Mexico.

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(b) Such permit, if granted, shall be valid for 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.

(c) 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.

RULE 313. 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 removed to surface pits, the pits shall be fenced and the fence shall be kept in good repair.

F - NATURAL GAS PRODUCTION OPERATING PRACTICE

RULE 401. METHOD OF DETERMINING NATURAL GAS WELL POTENTIAL

All operators shall make tests annually to determine the daily open flow potential volumes of all natural gas wells from which gas is being used or marketed. Such tests shall be reported on forms furnished by the Commission. To establish comparable open flow capacity, wells shall be tested by the back pressure method, using 4 back pressure flows taken in sequence from low to high flow. In the event the Commission approves an alternate method of testing, all wells producing from a common source of supply shall be tested in a uniform and comparable manner. In a like manner all natural gas wells hereafter completed shall be tested and the potential test reported. Where it has been determined that a natural gas well in any pool has a potential of 400,000 cubic feet per day or less, further potential tests shall not be required provided the operator periodically reports the shut-in pressure of the well.

RULE 402. METHOD AND TIME OF SHUT-IN PRESSURE TESTS

(a) Shut-in pressures shall be taken by the operator on all natural gas wells during the months of April and October of each year, unless the taking of such pressures is covered by special pool order.

(b) Shut-in pressures shall be taken with a calibrated gauge after a minimum shut-in period of twenty-four hours. When the shut-in period exceeds 24 hours, such shut-in period shall be reported to the Commission. All shut-in pressures shall be reported to the Commission.

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.

RULE 404. NATURAL GAS UTILIZATION

After the completion of a natural gas well, no gas from such well shall be (1) permitted to escape to the air (2) used expansively in engines or pumps and then vented (3) used to gas lift oil wells unless all gas produced is processed in a gasoline plant, or beneficially used thereafter without waste, or (4) used for the manufacture of carbon black.

RULE 405. STORAGE GAS

With the exception of the requirement to meter and report monthly the amount of gas injected and the amount of gas withdrawn from storage, in the absence of waste these rules and regulations shall not apply to gas being injected into or removed from storage.

RULE 406. CARBON DIOXIDE

(a) Insofar as is applicable, the state-wide regulations relating to gas, natural gas, gas wells, gas reservoirs, shall also apply to carbon dioxide, carbon dioxide wells, and carbon dioxide reservoirs.

(b) Copies of rules and regulations particularly effecting carbon dioxide gas fields, insofar as they may vary from these general rules and regulations for oil and natural gas may be obtained from the Commission office in Santa Fe.

G - OIL PRORATION AND ALLOCATION

RULE 501. REGULATION OF POOLS

(a) To prevent waste, the Commission shall prorate or distribute the allowable production among the producers in a pool upon a reasonable basis and recognizing correlative rights.

(b) After notice and hearing, the Commission, in order to prevent waste and protect correlative rights may promulgate special rules, regulations or orders pertaining to any pool.

RULE 502. RATE OF PRODUCING WELLS

In allocated oil pools the owner or operator of any producing units shall not produce from any unit during any proration period any more oil than the allowable production for oil from such unit as shown by the proration schedule, provided, however, that such owners or operators shall be permitted to balance the production for each unit during the proration period. In no event shall any oil unit be produced in any manner or in such amount as to result in the production in any one day of an amount in excess of 125% of the daily allowable.

RULE 503. AUTHORIZATION FOR PRODUCTION, PURCHASE AND TRANSPORTATION

(a) The Commission shall meet between the 20th and the 25th of each month for the purpose of setting the allowable production for the State for the following calendar month.

(b) 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 10th of each year.

(c) 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.

(d) 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.

(e) 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.

(f) 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 90 days after the occurrence of the shortage, no back allowable for such shortage shall be granted. Unless the justification for back allowable is the continuing failure of purchaser or transporter to run the assigned oil allowable, the back allowable filed for and occurring in any one month will be authorized for production and purchase on not more than 3 consecutive monthly proration schedules.

(g) 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 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 10 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.

RULE 504. APPLICATION FOR ALLOWABLE ON NEW WELLS

No well shall be placed on the proration schedule until Form C-104 and C-110 have been filed with the Commission.

RULE 505. OIL PRORATION

In allocated pools, the allocation between pools is in accordance with the top of the producing depth of the pool and the corresponding proportional factor set out below. The depth to the casing shoe or the top perforation in the casing, whichever is the higher, in the first well completed in a pool determines the depth classification for the pool. Top unit allowables shall be calculated for each of the several ranges of depth in the following proportions:

<u>Pool Depth Range</u>				<u>Proportional Factor</u>
From	0 to	5,000	Feet	1.00
Below	5,000 to	6,000	"	1.33
	6,000 to	7,000	"	1.77
	7,000 to	8,000	"	2.33
	8,000 to	9,000	"	3.00
	9,000 to	10,000	"	3.77
	10,000 to	11,000	"	4.67
	11,000 to	12,000	"	5.67
	12,000 to	13,000	"	6.75

Normal unit allowable shall be set by the Commission.

Top unit allowables for each range of depth shall then be determined by multiplying the normal unit allowable by the proportional factor for each depth range as set out in the table hereinabove; any fraction of a barrel shall be regarded as a full barrel for both normal and top unit allowables.

The top unit allowables hereinabove determined shall be assigned to the respective pools in accordance with each pool's depth range. The sum of all marginal units plus the sum of the top unit allowables for all non-marginal units in each pool shall constitute the allocation for each pool. In the event that the normal unit allowable as set by the Commission is less than 30 barrels per day for any month, the top allowable for the depth range from 0 to 5000 feet shall be set at 30 barrels per day and a corrected top allowable shall be computed for all other depth ranges below 5000 feet by the following formulae:

(1) Corrected top allowable = top allowable times correction factor;

(2) Correction factor =
$$\frac{(B-30U)}{(30 - N) U \quad (B - 30 U)}$$

Where:

B = Total allocation to Lea, Eddy and Chaves Counties, non-marginal units.

N = Normal unit allowable as set by the Commission.

U = Number of non-marginal units within the depth range of 0 to 5000 feet.

The allocation for each pool shall then be computed as described hereinabove, using the corrected top allowables in the place of the top allowables.

Thereupon the allocation to each pool shall in turn be prorated or distributed to the respective units in each pool in accordance with the proration plan of the particular pool where any such plan exists. Where no proration plan for any pool exists, then the pool allocation shall be distributed or prorated to the respective marginal and non-marginal units therein as determined hereinabove.

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

The provisions of Rule 104 (h) et seq., shall be adhered to where applicable in fixing top unit allowables.

RULE 506. GAS-OIL RATIO LIMITATION

(a) 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 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 2000 cubic feet of gas for each barrel of oil produced. In allocated oil pools all producing wells whether oil or casinghead gas shall be placed on the oil proration schedule.

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

1. Any proration unit which, on the basis of the latest official gas-oil ratio test has a gas-oil ratio in excess of the limiting gas-oil ratio for the pool in which it is located shall be permitted to produce daily that number of barrels of oil which shall be determined by multiplying the current top unit allowable by a fraction, the numerator of which shall be the limiting gas-oil ratio for the pool and the denominator of which shall be the official gas-oil ratio test of the well.

2. Any unit containing a well or wells producing from a reservoir which contains both oil and gas shall be permitted to produce only that volume of gas equivalent to the applicable limiting gas-oil ratio multiplied by the top unit allowable currently assigned to the pool.

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

4. All gas produced with the current oil allowable determined in accordance with this rule shall be deemed to have been lawfully produced.

(c) All proration units to which gas-oil ratio adjustments are applied shall be so indicated in the proration schedule with ad-
just allowables stated.

(d) Limiting gas-oil ratios for allocated pools are hereby adopted and are listed under Appendix C, attached hereto. In cases of new pools the limit shall be 2000 cubic feet per barrel until such time as changed by the Commission after a hearing. Upon petition, notice and hearing according to law, the Commission will determine or re-determine, the specific gas-oil ratio limit which is applicable to a particular allocated oil pool.

RULE 507. UNITIZED AREAS

After petition, notice and hearing, the Commission may grant approval for the combining of contiguous developed proration units into a unitized area.

SECTION H - GAS PRORATION AND ALLOCATION

RULE 601. DESIGNATION OF GAS POOLS

There presently being no classified and defined gas pools within the state, the Commission shall as soon as practicable initiate proceedings to name, classify and define the limits of all known producing gas pools. Pools classified as gas pools shall be known as "gas pools" as distinguished from "oil pools", i.e. the "Blanco gas pool" or "Hobbs oil pool". There shall be no proration or allocation of gas production unless and until the provisions of Rule 602 are followed.

RULE 602. ALLOCATION OF GAS PRODUCTION

When the Commission determines that allocation of gas production in a designated gas pool is necessary to prevent waste, the Commission, after notice and hearing, shall consider the nominations of purchasers from that gas pool and other relevant data, and shall fix the allowable production of that pool, and shall allocate production among the gas wells in the pool delivering to a gas transportation facility upon a reasonable basis and recognizing correlative rights. The Commission shall include in the proration schedule of such pool any gas well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility which is reasonably capable of handling the type of gas produced by such well.

RULE 603. PRORATION PERIOD

The proration period shall be at least six months and the pool allowable and allocations thereof shall be made at least 30 days prior to each proration period.

RULE 604. ADJUSTMENT OF ALLOWABLES

When the actual market demand from any allocated gas pool during a proration period is more than or less than the allowable set by the Commission for the pool for the period, the Commission shall adjust the gas proration unit allowables for the pool for the next proration period so that each gas proration unit shall have a reasonable opportunity to produce its fair share of the gas production from the pool and so that correlative rights shall be protected.

RULE 605. GAS PRORATION UNITS

Before issuing a proration schedule for an allocated gas pool, the Commission, after notice and hearing, shall fix the gas proration unit for that pool.

I - SECONDARY RECOVERY AND PRESSURE MAINTENANCE

RULE 701. PERMIT FOR INJECTION OF GAS, AIR OR WATER

(a) The injection of gas or air or water into any reservoir for the purpose of maintaining reservoir pressure for secondary recovery or for water disposal, shall be permitted only by order of the Commission after a hearing.

(b) The application for all permits to inject gas, or air, or water into any reservoir shall contain the following:

1. Plat showing the location of the intake well or wells and the location of all oil and gas wells including drilling wells and dry holes and the names of lessees within one-half mile of the intake well or wells; and each offset operator.
2. The formations from which wells are producing or have produced.
3. The name, description, and depth of the formations to be affected by injection.
4. The log of the intake well or wells or such information as is available.
5. Description of the intake well's casing, or the proposed casing program, and proposed method for testing casing before use of the input wells.
6. Statement as to whether gas, air or water is to be used for injection, its source, and the estimated amounts to be injected daily.
7. The names and addresses of the operator or operators of the project.

RULE 702. CASING AND CEMENTING OF INJECTION WELLS

Wells used for injection of gas, air, or water into the producing formation shall be cased with safe and adequate casing, or tubing so as to prevent leakage and such casing or tubing shall be so set or cemented that damage will not be caused to oil, gas or fresh water resources.

RULE 703. NOTICE OF COMMENCEMENT AND DISCONTINUANCE OF INJECTION OPERATIONS

The following provisions shall apply to all injection projects:

- (a) Immediately upon the commencement of injection operations, the operator shall notify the Commission of the injection date.
- (b) Within 10 days after the discontinuance of injection operations the operator shall notify the Commission of the date of such discontinuance and

the reasons therefor.

(c) Before any intake well shall be plugged, notice shall be served on the Commission by the owner of said well, and the same procedure shall be followed in the plugging of such well as provided for the plugging of oil and gas wells.

RULE 704. RECORDS

The operator of an injection project shall keep accurate records and report monthly to the Commission the amount of oil produced, the volumes of fluid injected and the injection pressures.

J - OIL PURCHASING AND TRANSPORTING

RULE 801. ILLEGAL SALE PROHIBITED

The sale or purchase or acquisition, or the transporting, refining, processing, or handling in any other way, of crude petroleum oil or of any product of crude petroleum produced in excess of the amount allowed by any statute of this State, or by any rule, regulation or order of the Commission made thereunder, is prohibited.

RULE 802. RATABLE TAKE; COMMON PURCHASER

(a) Every person now engaged or hereafter engaging in the business of purchasing oil to be transported through pipe lines, shall be a common purchaser thereof, and shall, without discrimination in favor of one producer as against another in the same field, purchase all oil tendered to it which has been lawfully produced in the vicinity of, or which may be reasonably reached by pipe lines through which it is transporting oil, or the gathering branches thereof, or which may be delivered to the pipe line or gathering branches thereof by truck or otherwise, and shall fully perform all the duties of a common purchaser. If any common purchaser shall not have need for all such oil lawfully produced within a field, or if for any reason it shall be unable to purchase all such oil, then it shall purchase from each producer in a field ratably, taking and purchasing the same quantity of oil from each well to the extent that each well is capable of producing its ratable portions; provided however, nothing herein contained shall be construed to require more than one pipe line connection for each producing well. In the event any such common purchaser of oil is likewise a producer or is affiliated with a producer, directly or indirectly, it is hereby expressly prohibited from discriminating in favor of its own production or in favor of the production of an affiliated producer as against that of others and the oil produced by such common purchaser or by the affiliate of such common purchaser shall be treated as that of any other producer for the purposes of ratable taking.

(b) It shall be unlawful for any common purchaser to unjustly or unreasonably discriminate as to the relative quantities of oil purchased by it in the various fields of the state; the question of the justice or reasonableness to be determined by the Commission, taking into consideration the production and age of the wells in the respective fields and all other factors. It is the intent of this rule that all fields shall be allowed to produce and market a just and equitable share of the oil produced and marketed in the state, insofar as the same can be affected economically and without waste.

RULE 803. PURCHASE OF LIQUIDS FROM GAS WELLS

Provided that a supplemental order is issued authorizing such production on the monthly proration schedule, any common purchaser is authorized to purchase 100 percent of the amount of associated crude oil or condensate produced and recovered from a natural gas proration unit.

K - GAS PURCHASING AND TRANSPORTING

RULE 901. ILLEGAL SALE PROHIBITED

The sale, purchase or acquisition, or the transporting, refining, processing or handling in any other way, of natural gas in whole or in part (or of any product of natural gas so produced) produced in excess of the amount allowed by any statute of this state, or by any rule, regulation or order of the Commission made thereunder, is prohibited.

RULE 902. RATABLE TAKE

(a) Any person now or hereafter engaged in purchasing from one or more producers gas produced from gas wells shall be a common purchaser thereof within each common source of supply from which it purchases, and as such it shall purchase gas lawfully produced from gas wells with which its gas transportation facilities are connected in the pool and other gas lawfully produced within the pool and tendered to a point on its gas transportation facilities. Such purchases shall be made without unreasonable discrimination in favor of one producer against another in the price paid, the quantities purchased, the bases of measurement or the gas transportation facilities afforded for gas of like quantity, quality and pressure available from such wells. In the event any such person is likewise a producer, he is prohibited to the same extent from discriminating in favor of himself on production from gas wells in which he has an interest, direct or indirect, as against other production from gas wells in the same pool. For the purposes of this rule reasonable differences in prices paid or facilities afforded, or both, shall not constitute unreasonable discrimination if such differences bear a fair relationship to differences in quality, quantity or pressure of the gas available or to the relative lengths of time during which such gas will be available to the purchaser. The provisions of this subsection shall not apply (1) to any wells or pools used for storage and withdrawal from storage of natural gas originally produced not in violation of this act or of the rules, regulations or orders of the Commission, (2) to purchases of casinghead gas from oil wells, and (3) to persons purchasing gas principally for use in the recovery or production of oil or gas.

(b) Any common purchaser taking gas produced from gas wells from a common source of supply shall take ratably under such rules, regulations and orders, concerning quantity, as may be promulgated by the Commission consistent with this rule. The Commission, in promulgating such rules, regulations and orders may consider the quality and the deliverability of the gas, the pressure of the gas at the point of delivery, acreage attributable to the well, market requirements in the case of unprorated pools, and other pertinent factors.

(c) Nothing in this rule shall be construed or applied to require, directly or indirectly, any person to purchase gas of a quality or under a pressure or under any other condition by reason of which such gas cannot be economically and satisfactorily used by such purchaser by means of his gas transportation facilities then in service.

L - REFINING

RULE 1001. REFINERY REPORTS

Each refiner of oil within the State of New Mexico shall furnish for each calendar month a "Refiner's Monthly Report", Form C-113, containing the information and data indicated by such form, respecting oil and products involved in such refiner's operations during each month. Such report for each month shall be prepared and filed according to instructions on the form, on or before the 15th day of the next succeeding month.

RULE 1002. GASOLINE PLANT REPORTS

Each operator of a gasoline plant, cycling plant or any other plant at which gasoline, butane, propane, condensate, kerosene, oil or other liquid products are extracted from natural gas within the State of New Mexico, shall furnish for each calendar month a "Monthly Gasoline or Other Extraction Plant Monthly Report", Form C-114, containing the information indicated by such form respecting natural gas and products involved in the operation of each plant during each month.

Such reports for each month shall be prepared and filed according to instructions on the form on or before the 15th day of the next succeeding month.

M - REPORTS

RULE 1101. ADDITIONAL INFORMATION MAY BE REQUIRED

These rules shall not be taken or construed to limit or restrict the authority of the Oil Conservation Commission to require the furnishing of such additional reports, data or other information relative to production, transportation, storing, refining, processing, or handling of crude petroleum oil, natural gas or products in the State of New Mexico as may appear to it to be necessary or desirable, either generally or specifically, for the prevention of waste and the conservation of natural resources of the State of New Mexico.

RULE 1102. BOOKS AND RECORDS TO BE KEPT TO SUBSTANTIATE REPORTS

All producers, transporters, storers, refiners, gasoline or extraction plant operators and initial purchasers of natural gas within the State of New Mexico shall make and keep appropriate books and records for a period not less than 5 years, covering their operations in New Mexico from which they may be able to make and substantiate the reports required by this Order.

RULE 1103. WRITTEN NOTICES, REQUESTS, PERMITS AND REPORTS

The forms hereinafter mentioned and attached to these rules in the Appendix are hereby adopted and made a part of these rules for all purposes and the same shall be used for the purposes shown on each of the several forms and in accordance with the instructions printed thereon, which instructions are a part of this rule. They are:

- Form C-101 - Notice of Intention to Drill
- Form C-102 - Miscellaneous Notices
- Form C-103 - Miscellaneous Reports on Wells
- Form C-104 - Request for Allowable
- Form C-105 - Well Record
- Form C-100 - Certificate of Compliance and Authorization to Transport Oil
- Form C-111 - Monthly Gas Report
- Form C-112 - Transporter's and Storer's Monthly Report
- Form C-113 - Refiner's Monthly Report
- Form C-114 - Gasoline and Other Extraction Plant Monthly Report
- Form C-115 - Operator's Monthly Report
- Form C-116 - Gas-Oil Ratio Report
- Form C-117 - Tank Cleaning Permit
- Form C-118 - Treating Plant Report
- Form C-119 - Carbon Black Report
- Form C-120 - Injection Report

RULE 1104. NOTICE OF INTENTION TO DRILL (FORM C-101)

Before beginning drilling, the owner of the well shall give notice thereof by filing with the Commission in triplicate Form C-101, "Notice of Intention to Drill". A copy of the notice will be returned by the Commission to the applicant, on which will be noted the Commission's approval with any modification considered advisable, or the rejection of the plan submitted.

Drilling shall not begin until this approval is obtained and until a bond has been submitted and approved as required by Rule 101.

The information required on Form C-101 includes the name and number of the well, exact location, status of land, (whether State, Federal or privately owned) type of drilling equipment to be used, proposed casing program, probable depth to first productive oil or gas sand, and name of drilling contractor, and any additional pertinent information. In the case of wildcat locations a plat made by a registered surveyor, or a surveyor approved by the Commission, showing and certifying the location of the well, must be submitted with Form C-101.

RULE 1105. MISCELLANEOUS NOTICES (FORM C-102)

Form C-102, "Miscellaneous Notices," shall be filed by the owner in triplicate with the Commission and approval obtained from it before starting operations leading to a proposed change of drilling plan, repairing or deepening a well, pulling or altering casing, plugging back, re-drilling, or starting of any other similar operations not specifically covered herein. A copy of the notice giving the decision of the Commission will be returned to the owner.

RULE 1106. NOTICE OF INTENTION TO PLUG WELL (FORM C-102)

Before plugging a well, notice shall be given to the Commission by filing in triplicate Form C-102, "Miscellaneous Notices." Work shall not begin until approval is obtained from a deputy of the Commission. A copy of the notice will be returned to the owner on which will be given the approval of the Commission of the plugging plan submitted with any modifications considered essential. The notice shall give a detailed statement of the proposed work; including length and depth of plugs; plans for mudding, cementing, shooting, testing and removing casing; and the date of the proposed plugging operations. Before plugging any well, the owner shall give notice to all adjoining lessees and representatives of such adjoining lessees may be present to witness the plugging, if they so desire, but plugging shall not be delayed because of inability to deliver notice to adjoining lessees. Failure to file notice before plugging shall constitute grounds for forfeiture of bond. If not previously filed, a complete log of the well on Form C-105 shall accompany the notice of intention to plug the well.

RULE 1107. REPORT ON BEGINNING DRILLING OPERATIONS (FORM C-103)

Within 10 days after drilling operations are begun, the owner of the well shall file with the Commission a report on Form C-103, "Miscellaneous Reports on Wells." It shall give the date when operations began, the elevation of derrick floor above sea level, and any changes made in the program previously specified on Form C-101. It shall be submitted in triplicate and signed and sworn to before a notary public.

RULE 1108. REPORT ON RESULT OF TEST OF CASING SHUT-OFF (FORM C-103)

A report on the result of test of casing shut-off shall be filed with the Commission in triplicate within 10 days after the completion of work on Form C-103, "Miscellaneous Reports on Wells". It shall indicate any changes made in the approved plan outlined previously on Form C-101. It shall also give a detailed report of the method used and of the results obtained and any other pertinent information. Name of the witness shall be given on the report, and it shall be signed and sworn to before a notary public.

RULE 1109. REPORT ON RESULTS OF PLUGGING WELL (FORM C-103)

Within 10 days after plugging a well, a record of the work done shall be filed in triplicate by the owner with the Commission on Form C-103, "Miscellaneous Reports on Wells". The report shall give the date the work was started and the date it was completed; a detailed account of the manner in which the work was performed; the nature and quantities of materials used in plugging, and the depths and lengths of the various plugs; records of any tests or measurements made; the amount, size and depth of all casing left in the well; the volume and gravity of mud-laden fluid used; pressure retained in mudding; a complete record of any shooting done, and names addresses and positions of all those in charge of the work. The report shall also state whether or not the pits have been filled and leveled and the location cleared of junk. The report shall be signed and sworn to before a notary public.

RULE 1110. MISCELLANEOUS REPORT ON WELLS (FORM C-103)

Form C-103, "Miscellaneous Reports on Wells" shall be used for reports of various operations, such as:

- a. Change of Drilling Plan
- b. Repairing or Deepening Well
- c. Pulling or Altering Casing
- d. Plugging Back
- e. Re-Drilling
- f. Perforating Casing (or of any other similar operations not specifically covered herein).

The report with respect to such operation shall be filed with the Commission within 10 days after such operation is completed.

The status prior to and results of the work completed shall be given in detail. The report shall be signed and sworn to before a notary public.

RULE 1111. REPORT OF RESULT OF SHOOTING OR CHEMICAL TREATMENT OF WELL (FORM C-103)

Within 20 days after the shooting or chemical treatment of a well, report shall be filed with the Commission in triplicate by the owner on Form C-103, "Miscellaneous Reports on Wells", giving the condition of the well both before and after shooting or chemical treatment, the size and depth of the shot, or amount of chemical used, the daily production of oil, gas and water after shooting or chemical treatment and any other pertinent information. This report shall be signed and sworn to before a notary public.

RULE 1112. REQUEST FOR ALLOWABLE (FORM C-104)

It is necessary that this form be submitted by the operators before

an initial allowable will be assigned to any completed oil well. C-110 "Certificate of Compliance" will not be approved until C-104 is filed with the Commission. Form C-104 is to be submitted in triplicate to the Commission Office, to which Form C-101 was sent. Two copies will be retained there and the other submitted to the Proration Office, Hobbs, New Mexico. The allowable will be assigned effective 7:00 A.M., on date of completion. The completion date shall be that date in the case of an oil well, when oil is delivered into the stock tanks.

RULE 1113. WELL RECORD FORM (FORM C-105)

Within 20 days after the completion of a well, there shall be filed in triplicate with the Commission Form C-105. The well record shall not be kept confidential by the Commission unless requested in writing by the owner of the well. Upon such request the Commission will keep the report confidential for 90 days from the date of the completion of the well; provided, however, that the report or data therein when pertinent may be introduced in any public hearing before the Commission or any court regardless of the request that the report be kept confidential. If the C-105 is not received by the Commission in the specified 20 days the well will be dropped from the proration schedule.

RULE 1114. CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS (FORM C-110)

(a) Each producer of crude petroleum oil or natural gas and each producer of liquid hydrocarbons from a gas well, shall execute under oath, in quadruplicate, and file with the Commission a Producer's Certificate of Compliance and Authorization to Transport Oil, Natural Gas or Liquid Hydrocarbons, Form C-110, setting forth fully therein the data and information indicated by such form covering each proration or operating unit in the State of New Mexico from which the crude petroleum oil, natural gas or liquid hydrocarbons is produced.

(b) Whenever there shall occur a change in operating ownership of any producing well or whenever there shall occur a change of transporter from any producing well, Form C-110 shall be executed and filed in accordance with the instructions appearing on such forms; except that in the case of a temporary change in transporter involving less than the allowable for one month, the producer may, in lieu of filing a new certificate, notify the Commission and the transporter then authorized by certificate on file with the Commission, by letter, of the estimated amount of crude petroleum, dry gas or liquid hydrocarbons to be moved by temporary transporter and the name of such temporary transporter and a copy of such notice shall also be furnished such temporary transporter. In no instance shall the temporary transporter move any greater quantity of crude petroleum oil or natural gas than the estimated amount shown in said notice.

RULE 1115. MONTHLY GAS REPORT (FORM C-111)

All gas produced from natural gas wells within the State of New Mexico which is taken into a fuel system or other system (except gas taken into a gasoline or other extraction plant gathering system which is required to be reported on Form C-114), shall be reported monthly on Monthly Gas

Report, ~~Form~~ C-111. Where such gas is taken from any natural gas well by the producer, then the producer shall make such report. In case the gas is taken at the well by any person other than the producer, then such person taking the gas shall make said report. Form C-111 shall be filed on the 15thth of the succeeding month for all gas produced each month.

RULE 1116. TRANSPORTER'S AND STORER'S MONTHLY REPORT (FORM C-112)

(a) Each transporter of crude petroleum oil, and liquid hydrocarbons within the State of New Mexico shall furnish for each calendar month a Transporter's and Storer's Monthly Report, Form C-112, containing complete information and data indicated by such form respecting stocks of crude petroleum oil and liquid hydrocarbons on hand and all movements of crude petroleum oil and liquid hydrocarbons by pipe line within the State of New Mexico and all movements of crude petroleum oil and liquid hydrocarbons by trucks or other conveyances including railroads, from leases to storers or refiners; between transporters within the State; between storers and refiners within the State.

(b) Each storer of crude petroleum oil and liquid hydrocarbons within the State of New Mexico shall furnish for each calendar month a Form C-112, containing complete information and data indicated by such form respecting the storage of crude petroleum oil and liquid hydrocarbons within the State of New Mexico.

(c) Form C-112 shall be filed on or before the 15th day of the next succeeding month.

RULE 1117. REFINER'S MONTHLY REPORT (FORM C-113)

Every refiner of crude petroleum oil within the State of New Mexico shall furnish for each calendar month a Refiner's Monthly Report, Form C-113, containing the information and data indicated by such form respecting crude petroleum oil and products involved in such refiner's operations during each month. Such report for each month shall be filed on or before the 15th day of the next succeeding month.

RULE 1118. GASOLINE OR OTHER EXTRACTION PLANT MONTHLY REPORT (FORM C-114)

Each operator of a gasoline plant, cycling plant or any other plant at which gasoline, butane, propane, kerosene, oil, or other liquid products are extracted from gas within the State of New Mexico, shall furnish for each calendar month a Gasoline or other Extraction Plant Monthly Report, Form C-114, containing the information indicated by such form respecting gas and products involved in the operation of each such plant during each month. Each purchaser of gas shall report monthly the source or sources and amounts from each source of gas injected into natural gas storage reservoirs together with the gross amount of gas which is withdrawn during the month from natural storage. Such report for each month shall be filed on or before the 15th day of the next succeeding month.

RULE 1119. OPERATOR'S MONTHLY REPORT (FORM C-115)

Operator's Monthly Report Form C-115 shall be filed on each producing oil well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said form respecting crude petroleum oil, casinghead gas and liquid hydrocarbons. Such report for each month shall be filed on or before the 20th day of the next succeeding month.

RULE 1120. GAS-OIL RATIO TEST (FORM C-116)

A gas-oil ratio test shall be made and reported on Form C-116 as prescribed in Rule 301 - Gas-Oil Ratio Test.

RULE 1121. TANK CLEANING PERMIT (FORM C-117)

(a) Form C-117 shall be used pursuant to Rule 311.

(b) Tank cleaning permit is not necessary in the following cases:

(1) Where "tank bottoms" are to be used on operators lease roads or fire walls.

(2) Where merchantable oil is reclaimed by operator and disposed of through a duly authorized transporter as shown on Form C-110 filed with the Commission.

(3) Where there is a transfer of "tank bottoms" from one tank to another located in the same tank battery, provided there is no change in the custody or control of the "tank bottoms".

(4) Where there is the reclaiming of pipe line break oil or the treating of "tank bottoms" at a pipe line station, crude oil storage terminal or refinery, or to the treating by a gasoline plant operator of oil and other catchings collected in traps and drips in the gas gathering lines connected to gasoline plants and in scrubbers at such plants.

RULE 1122. TREATING PLANTS (FORM C-118)

Form C-118 shall be used in accordance with Rule 312.

RULE 1123. CARBON BLACK (FORM C-119)

Each operator of a carbon black plant within the State of New Mexico shall furnish for each calendar month, the monthly volume of gas received from a gasoline extraction plant or plants, and a monthly volume or volumes of gas received from each lease and operator delivering natural gas directly to such plant together with the production in pounds of carbon black or other products produced. Such report shall be prepared and filed according to instructions on Form C-119, "Carbon Black Report", on or before the 15th. day of the next succeeding month.

RULE 1124. INJECTION REPORT (FORM C-120)

Form C-120 shall be used for reports required under Rule 701, et seq.

RULE 1125. PIPE LINE DATA REQUIRED

Any person intending to operate a pipe line, whether now existing or hereafter laid, shall notify the Commission in writing of such intention and shall state the size and location of the pipe line and its depth, the appurtenant tankage and location thereof, and any other pertinent data requested by the Commission, and shall furnish a map showing the location of the line and tankage. In the case of a line to be constructed, if any changes from the plan submitted are made during construction, the Commission shall be notified of such changes. The Commission shall also be notified of any subsequent alterations in pipe lines. Nothing contained in this rule shall apply to lease lines, which are merely used in the operation of the lease on which located, nor to any line or appurtenant tankage not located within the State of New Mexico.

N - RULES ON PROCEDURE

RULE 1201. Necessity for Hearings.

Except as provided for in some general rule herein, before any rule, regulation or order, including revocation, change, renewal or extension thereof shall be made by the Commission, a public hearing shall be held at such time and place as may be prescribed by the Commission.

RULE 1202. Emergency Orders.

In case an emergency is found to exist by the Commission, which, in its judgment requires the making of a rule, regulation or order without first having a hearing, such emergency rule, regulation or order shall have the same validity as if a hearing with respect to the same had been held after due notice. Such emergency rule, regulation or order shall remain in force no longer than 15 days from its effective date, and in any event, it shall expire when the rule, regulation or order made after due notice and hearing with respect to the subject matter of such emergency rule, regulation or order becomes effective.

RULE 1203. Method of Initiating a Hearing.

The Commission upon its own motion and the Attorney General on behalf of the State and any operator, producer or any other person having a property interest may institute proceedings for a hearing. If the hearing is sought by the Commission it shall be on motion of the Commission and if by any other person it shall be by application. An application shall state (1) the name or general description of the common source or sources of supply affected by the order sought, unless the same is intended to

apply to and effect the entire State, in which event the application shall so state, and (2) briefly the general nature of the order, rule or regulation sought and (3) any other matter required by a particular rule or rules.

An application shall be signed by the person seeking the hearing or by his attorney. Unless required by a specific rule, an application need not be verified.

RULE 1204. Method of Giving Notice for Hearings.

Notice of a hearing before the Commission shall be given by personal service on the person effected or by publication once in a newspaper of general circulation published at Santa Fe, New Mexico, and once in a newspaper of general circulation published in the county or each of the counties if there be more than one in which any land, oil or gas or other property which may be effected shall be situated.

RULE 1205. Contents of Notice for Hearing.

Such notice shall be issued in the name of "The State of New Mexico" and shall be signed by two of the members of the Commission or by the Secretary of the Commission and the seal of the Commission shall be impressed thereon.

The notice shall specify the number and style of the case and the time and place of hearing and shall briefly state the general nature of the order or orders, rule or rules, or regulation or regulations to be promulgated or effected. The notice shall also state the name of the petitioner or applicant if any and unless the contemplated order, rule or regulation is intended to apply to and effect the entire State it shall specify or

generally describe the common source or sources of supply which may be effected by such order, rule or regulation.

RULE 1206. Service of Notice.

Personal service of the notice of hearing may be made by any agent of the Commission or by any person over the age of 18 years in the same manner as is provided by law for the service of summons in civil actions in the district courts of this State. Such service shall be complete at the time of such personal service or on the date of publication, as the case may be. Proof of service shall be by the affidavit of the person making personal service or of the publisher of the newspaper in which publication is had. Service of the notice shall be made at least 10 days before the hearing.

RULE 1207. Preparation of Notices.

After a motion or application is filed with the Commission the notice or notices required shall be prepared by the Commission and service and publication thereof shall be taken care of by the Commission without cost to the applicant.

RULE 1208. Continuance of Hearing Without New Service.

Any hearing before the Commission had after due notice may be continued to a specified time and place without the necessity of notice of the same being again served or published. In the event of such continuance, a record thereof shall be made in the minutes of the hearing at which the continuance was ordered.

RULE 1209. Conduct of Hearings.

Hearings before the Commission shall be conducted without

rigid formality. A transcript of testimony shall be taken and preserved as a part of the permanent records of the Commission. Any person testifying in response to a subpoena issued by the Commission and any person seeking to testify in support of an application or motion or in opposition thereto shall be required to do so under oath. However, unsworn comments and observations by any interested party will be invited and made a part of the record. Comments and observations by representatives^{of}/operators' committees, the United States Geological Survey, the United States Bureau of Mines, the New Mexico Bureau of Mines and other competent persons are welcomed. Two members of the Commission constitute a quorum for the transaction of business and for the holding of hearings, but one member of the Commission may conduct a hearing for the purpose of receiving testimony only.

RULE 1210. Statutory Powers as to Witnesses, Records, etc.

The Commission or any member thereof has statutory power to subpoena witnesses and to require the production of books, papers, records, etc. A subpoena will be issued by the Commission for attendance at a hearing upon the written request of any person interested in the subject matter of the hearing. In case of the failure of a person to comply with the subpoena issued by the Commission, an attachment of the person may be issued by the district court of any district in the State, and such court has powers to punish for contempt. Any person guilty of swearing falsely at any hearing may be punished for contempt.

RULE 1211. Rules of Evidence.

Full opportunity shall be afforded all interested parties

at a hearing to present evidence and to cross-examine witnesses. In general, the rules of evidence applicable in a trial before a court without a jury shall be applicable, providing that such rules may be relaxed, whereby so doing, the ends of justice will be better served. No order shall be made which is not supported by some competent legal evidence.

RULE 1212. Rehearings.

Within 20 days after entry of any order or decision of the Commission, any person affected thereby may file with the Commission an application for rehearing in respect of any matter determined by such order or decision, setting forth the respect in which such order or decision is believed to be erroneous. The Commission shall grant or refuse any such application in whole or in part within 10 days after the same^{is}/filed and failure to act thereon within such period shall be deemed a refusal thereof and a final disposition of such application. In the event the rehearing is granted, the Commission may enter such new order or decision after rehearing as may be required under the circumstances.

0 - RULES ON ADMINISTRATION

RULE 1301. District Offices.

To expedite administration of the work of the Commission and enforcement of its rules and regulations, the State shall be divided into four districts as follows:

District 1	Lea, Roosevelt, Curry, De Baca and Chaves counties with office at Hobbs.
District 2	Eddy, Otero, Dona Ana and Lincoln counties, with office at Artesia.
District 3	San Juan, Rio Arriba, McKinley and Sandoval counties with office at Aztec.
District 4	Balance of State, office of Oil Conservation Commission in Santa Fe.

Each district office shall be under the charge of an oil and gas inspector, a deputy oil and gas inspector or a member of the Commission. Unless otherwise specifically required, all matters pertaining to the Commission shall be taken care of through the district office of the district in which the land that is affected lies.

RULE 1302. Where to File Reports and Forms.

All reports and forms required by the rules to be filed with the Commission shall be filed in the number and at the time specified on each such printed report or form. However, all copies of reports and forms required to be filed with the Commission shall be filed at the district office of the district in which the land that is the subject matter of the report lies, notwithstanding

printed instructions on the forms to the contrary. All plugging bonds shall be filed directly in the Commission Office at Santa Fe. A list of all plugging bonds in force and approved shall be kept in each district office.

RULE 1303. Duties and Authority of Field Personnel.

Oil and gas inspectors, deputy oil and gas inspectors, scouts, engineers and geologists duly appointed by the Commission have the authority and duty to enforce the rules and regulations of the Commission. Only oil and gas inspectors or their deputies or members of the Commission have authority to endorse the approval of the Commission on any form which requires such approval. Oil and gas inspectors and their deputies shall have discretion to allow minor deviations from requirements of the rules as to field practices where, by so doing waste will be prevented or burdensome delay or expenses on the part of the operator will be avoided.

RULE 1304. Numbering of Commission Orders.

All orders of the Commission made after 1 January, 1950, pertaining to allocation of the production of oil or gas shall be prefixed with the letter "A" and shall be numbered consecutively, commencing with No. 1, i.e., the first allocation order issued after 1 January, 1950, shall be No. A-1, and the next shall be No. A-2.

All other orders of the Commission made after 1 January, 1950, shall be prefixed with the letter "R" and shall be consecutively numbered, commencing with the number 1, i.e., the first such order issued after 1 January, 1950, shall be No. R-1, and the next shall be No. R-2.

APPENDIX A

POOLS NAMED AND DEFINED PURSUANT TO RULE 5

(Note: All pools herein listed are "oil pools" unless specifically described as "gas pools".)

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Aid	Y-SR	Eddy	T.17S-R.28E	S $\frac{1}{2}$ Sec. 24; all Sec. 25.
Anderson	G-SA	Eddy	T.17S-R.29E T.17S-R.30E	S $\frac{1}{2}$ Sec. 1; all Sec. 2, 3, 11 & 12; N $\frac{1}{2}$ Sec. 13; N $\frac{1}{2}$ Sec. 14. SW $\frac{1}{4}$ Sec. 6; N $\frac{1}{2}$ Sec. 7.
Arrowhead	Q-G	Lea	T.21S-R.36E T.22S-R.36E T.22S-R.37E	All Sec. 24, 25, 26; E $\frac{1}{2}$ Sec. 34; all Sec. 35 & 36. All Sec. 1 & 2; E $\frac{1}{2}$ Sec. 3; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 11; all Sec. 12 & 13; E $\frac{1}{2}$ Sec. 14; all Sec. 24. W $\frac{1}{2}$ Sec. 6; NW $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 7; all Sec. 18 & 19.
Artesia	G-SA	Eddy	T.17S-R.28E T.18S-R.27E T.18S-R.28E T.19S-R.28E	S $\frac{1}{2}$ Sec. 32; S $\frac{1}{2}$ Sec. 33; S $\frac{1}{2}$ Sec. 34; SW $\frac{1}{4}$ Sec. 35. SE $\frac{1}{4}$ Sec. 1; SE $\frac{1}{4}$ Sec. 11; all Sec. 12 & 13; E $\frac{1}{2}$ Sec. 14; NE $\frac{1}{4}$ Sec. 23; all Sec. 24; E $\frac{1}{2}$ Sec. 25; E $\frac{1}{2}$ Sec. 36. All Sec. 2 to 5 incl. E $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 6; all Sec. 7 to 10 incl.; W $\frac{1}{2}$ Sec. 11; all Sec. 15 to 22 incl. all Sec. 27 to 34 incl. All Sec. 3, 4 & 5; N $\frac{1}{2}$ Sec. 6; NE $\frac{1}{4}$ Sec. 9; all Sec. 10.
Atoka (Abandoned)	SA	Eddy	T.18S-R.26E	E $\frac{1}{2}$ Sec. 15.
Bagley-Pennsylvanian	PE	Lea	T.11S-R.33E T.12S-R.33E	SE $\frac{1}{4}$ Sec. 34; S $\frac{1}{2}$ Sec. 35, SW $\frac{1}{4}$ Sec. 36. W $\frac{1}{2}$ Sec. 1; all Sec. 2; E $\frac{1}{2}$ Sec. 3; E $\frac{1}{2}$ Sec. 10; all Sec. 11; W $\frac{1}{2}$ Sec. 12.
Bagley-Siluro/ Devonian	SD	Lea	T.11S-R.33E T.12S-R.33E	SE $\frac{1}{4}$ Sec. 34; S $\frac{1}{2}$ Sec. 35; SW $\frac{1}{4}$ Sec. 36. W $\frac{1}{2}$ Sec. 1; all Sec. 2; E $\frac{1}{2}$ Sec. 3; E $\frac{1}{2}$ Sec. 10; all Sec. 11; W $\frac{1}{2}$ Sec. 12.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Baish	Y	Lea	T.17S-R.32E	E $\frac{1}{2}$ Sec. 20; all Sec. 21; W $\frac{1}{2}$ Sec. 22; N $\frac{1}{2}$ Sec. 28.
Barber	Y	Eddy	T.20S-R.30E	S $\frac{1}{2}$ Sec. 17; all Sec. 20.
Benson	Y	Eddy	T.19S-R.30E	All Sec. 16.
Bitter Lake	SA	Chaves	T.10S-R.25E	All Sec. 13; E $\frac{1}{2}$ Sec. 14; NE $\frac{1}{4}$ Sec. 23; N $\frac{1}{2}$ Sec. 24.
Black River	D	Eddy	T. 24S-R.26E	SE $\frac{1}{4}$ Sec. 11; SW $\frac{1}{4}$ Sec. 12; NW $\frac{1}{4}$ Sec. 13; NE $\frac{1}{4}$ Sec. 14.
Blinebry	B	Lea	T.21S-R.37E	All Sec. 23; S $\frac{1}{2}$ & NW $\frac{1}{4}$ Sec. 25; all Sec. 26; E $\frac{1}{2}$ Sec. 35; all Sec. 36.
			T.22S-R.37E	All Sec. 1, 12, 13; E $\frac{1}{2}$ Sec. 23; All Sec. 24; N $\frac{1}{2}$ Sec. 25.
			T.22S-R.38E	W $\frac{1}{2}$ Sec. 7; W $\frac{1}{2}$ Sec. 18; all Sec. 19, 30 & 31.
			T.23S-R.38E	All Sec. 6.
Bough	Perno-PE	Lea	T.9S-R.35E	All Sec. 11, 12, 13 & 14.
Bowers	SR	Lea	T.18S-R.37E	All Sec. 13; E $\frac{1}{2}$ Sec. 14; all Sec. 24; E $\frac{1}{2}$ Sec. 25.
			T.18S-R.38E	S $\frac{1}{2}$ Sec. 18; all Sec. 19; NW $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 20; all Sec. 28 to 33 incl. W $\frac{1}{2}$ Sec. 34.
			T.19S-R.38E	N $\frac{1}{2}$ Sec. 4; N $\frac{1}{2}$ Sec. 5, N $\frac{1}{2}$ Sec. 6.
Brunson	E	Lea	T.21S-R.37E	All Sec. 21 & 28; NW $\frac{1}{4}$ Sec. 27; E $\frac{1}{2}$ Sec. 32; all Sec. 33.
			T.22S-R.37E	SW $\frac{1}{4}$ Sec. 3; all Sec. 4; E $\frac{1}{2}$ Sec. 5; E $\frac{1}{2}$ Sec. 8; all Sec. 9; W $\frac{1}{2}$ Sec. 10; all Sec. 15; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 16; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 22.
Burton (Abandoned)	Y	Eddy	T.20S-R.29E	N $\frac{1}{2}$ Sec. 8.
Caprock	Q	Chaves & Lea	T.12S-R.31E	All Sec. 36.
			T.12S-R.32E	SW $\frac{1}{4}$ Sec. 29; S $\frac{1}{2}$ Sec. 30; all Sec. 31 & 32.
			T.13S-R.31E	All Sec. 1; E $\frac{1}{2}$ Sec. 2; all Sec. 11, 12 & 13; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 14; N $\frac{1}{2}$ Sec. 24.
			T.13S-R.32E	All Sec. 5, 6, 7 & 8; N $\frac{1}{2}$ Sec. 17; all Sec. 18; N $\frac{1}{2}$ Sec. 19.

POOL	PRODUCTION FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Cary	MON	Lea	T.22S-R.37E	All Sec. 22.
Cass	PE	Lea	T.20S-R.37E	All Sec. 23.
Cave (Abandoned)	G	Eddy	T.17S-R.29E	SE $\frac{1}{4}$ Sec. 8; SW $\frac{1}{4}$ Sec. 9; NW $\frac{1}{4}$ Sec. 16; NE $\frac{1}{4}$ Sec. 17.
Comanche (Abandoned)	SA	Chaves	T.11S-R.26E	N $\frac{1}{2}$ Sec. 15.
Cooper-Jal	Y-SR	Lea	T.23S-R.36E T.24S-R.36E T.25S-R.36E T.25S-R.37E	All Sec. 4, 5, 8, 9, 15, 16, 17, 20, 21, 22, 27, 28, 33 & 34. W $\frac{1}{2}$ Sec. 2; all Sec. 3 & 4; N $\frac{1}{2}$ Sec. 9; all Sec. 10; W $\frac{1}{2}$ Sec. 11; SW $\frac{1}{4}$ Sec. 13; all Sec. 14, 15, 22 & 23; W $\frac{1}{2}$ Sec. 24; W $\frac{1}{2}$ Sec. 25; all Sec. 26, 27, 34 & 35; W $\frac{1}{2}$ Sec. 36. All Sec. 1, 2, 3, 11, 12, 13, 14, 23, 24, 25, 26 & 36. SW $\frac{1}{4}$ Sec. 6; W $\frac{1}{2}$ Sec. 7; W $\frac{1}{2}$ Sec. 18; W $\frac{1}{2}$ Sec. 19; W $\frac{1}{2}$ Sec. 30; all Sec. 31; SW $\frac{1}{4}$ Sec. 32.
Corbin	Q	Lea	T.18S-R.33E	W $\frac{1}{2}$ Sec. 3; E $\frac{1}{2}$ Sec. 4; E $\frac{1}{2}$ Sec. 9; W $\frac{1}{2}$ Sec. 10.
Crossroads	SD	Lea	T.9S-R.36E	W $\frac{1}{2}$ Sec. 26; all Sec. 27; E $\frac{1}{2}$ Sec. 28; E $\frac{1}{2}$ Sec. 33; all Sec. 34; W $\frac{1}{2}$ Sec. 35.
Crossroads-Pennsylvanian	PE	Lea	T.9S-R.36E	W $\frac{1}{2}$ Sec. 26; all Sec. 27; E $\frac{1}{2}$ Sec. 28; E $\frac{1}{2}$ Sec. 33; all Sec. 34; W $\frac{1}{2}$ Sec. 35.
Crossroads-Slaughter	SA	Lea	T.9S-R.36E	S $\frac{1}{2}$ Sec. 30; all Sec. 31.
Culwin	Q	Eddy	T.19S-R.31E	N $\frac{1}{2}$ Sec. 6.
Daughterity	SA	Eddy	T.17S-R.27E	All Sec. 3.
Dayton	G	Eddy	T.18S-R.26E	S $\frac{1}{2}$ Sec. 23; S $\frac{1}{2}$ Sec. 24; all Sec. 25 & 26; N $\frac{1}{2}$ Sec. 35.
Dayton, East (Abandoned)	G	Eddy	T.18S-R.27E	NW $\frac{1}{4}$ Sec. 29.
Denton	D	Lea	T.15S-R.37E	All Sec. 11, 12, 13 & 14.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Drinkard	DR	Lea	T.21S-R.37E	All Sec. 8 & 9; W $\frac{1}{2}$ Sec. 10; W $\frac{1}{2}$ Sec. 14; all Sec. 15, 16, 17, E $\frac{1}{2}$ Sec. 19; all Sec. 20, 21, 22; W $\frac{1}{2}$ Sec. 23; all Sec. 26, 27, 28, 29; E $\frac{1}{2}$ Sec. 30; E $\frac{1}{2}$ Sec. 31; all Sec. 32, 33, 34, 35 & 36.
			T.22S-R.37E	All Sec. 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, & 15; E $\frac{1}{2}$ Sec. 16; E $\frac{1}{2}$ Sec. 21; all Sec. 22, 23, 24, 25, 26 & 36.
			T.22S-R.38E	SW $\frac{1}{4}$ Sec. 6; W $\frac{1}{2}$ Sec. 7; W $\frac{1}{2}$ Sec. 18; All Sec. 19, 20, 29, 30, 31 & 32.
			T.23S-R.38E	All Sec. 5 & 6.
Drinkard, North	DR	Lea	T.21S-R.37E	W $\frac{1}{2}$ Sec. 2; all Lots 1 to 16 incl; SE $\frac{1}{4}$ Sec. 3.
Drinkard, South	DR	Lea	T.23S-R.37E	All Sec. 3.
Dublin (Abandoned)	E	Lea	T.26S-R.37E	All Sec. 11, 12, 13 & 14.
Dublin-Devonian	D	Lea	T.26S-R.37E	All Sec. 11, 12, 13 & 14.
Eaves	Y-SR	Lea	T.26S-R.36E	All Sec. 12, 13, 24 & 25.
			T.26S-R.37E	W $\frac{1}{2}$ Sec. 7; all Sec. 18 & 19; SW $\frac{1}{4}$ Sec. 20; W $\frac{1}{2}$ Sec. 29; all Sec. 30 & 31; W $\frac{1}{2}$ Sec. 32.
Eighty-Four Draw (Abandoned)	SA	Lea	T.21S-R.38E	All Sec. 8.
Elliott	DR	Lea	T.21S-R.38E	All Sec. 8.
Empire	Y-SR	Eddy	T.17S-R.27E	S $\frac{1}{2}$ Sec. 13; all Sec. 24 & 25; E $\frac{1}{2}$ Sec. 26; all Sec. 35 & 36.
			T.17S-R.28E	S $\frac{1}{2}$ Sec. 18; N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 19; W $\frac{1}{2}$ Sec. 30.
			T.18S-R.27E	N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 2; E $\frac{1}{2}$ Sec. 3.
Eunice-Monument	SR-Q G-SA	Lea	T.19S-R.36E	E $\frac{1}{2}$ Sec. 12; all Sec. 13, 23, 24, 25, 26, 27, 34, 35 & 36.
			T.19S-R.37E	SW $\frac{1}{4}$ Sec. 3; S $\frac{1}{2}$ Sec. 4; all Sec. 7 & 8; W $\frac{1}{2}$ Sec. 9; W $\frac{1}{2}$ Sec. 16; all Sec. 17 to 21 incl; S $\frac{1}{2}$ Sec. 27; all Sec. 28 to 34 incl.
			T.20S-R.36E	All Sec. 1, 2, 3, 10, 11, 12, 13 & 14; E $\frac{1}{2}$ Sec. 15; all Sec. 23, 24, 25, 26, 35, & 36.
			T.20S-R.37E	All Sec. 3 to 10 incl; all Sec. 15 to 21 incl; W $\frac{1}{2}$ Sec. 22; all Sec. 29 to 33 incl.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Eunice-Monument	Cont'd. SE-Q G-SA	Lea	T.21S-R.35E T.21S-R.36E	All Sec. 1,12,13,24; E $\frac{1}{2}$ Sec. 25. SW $\frac{1}{4}$ Sec. 1; all Sec. 2 to 11 incl; W $\frac{1}{2}$ Sec. 12; W $\frac{1}{2}$ Sec. 13; all Sec. 14 to 22 incl; NW $\frac{1}{4}$ Sec. 23; W $\frac{1}{2}$ Sec. 27 all Sec. 28 to 30 incl; NE $\frac{1}{4}$ Sec. 31; all Sec. 32 & 33; W $\frac{1}{2}$ Sec. 34.
Eunice, South	SR	Lea	T.21S-R.35E T.21S-R.36E T.22S-R.35E T.22S-R.36E	E $\frac{1}{2}$ Sec. 36. NW $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 31. E $\frac{1}{2}$ Sec. 1. W $\frac{1}{2}$ Sec. 3; all Sec. 4 to 10 incl; SW $\frac{1}{4}$ Sec. 11; W $\frac{1}{2}$ Sec. 14; all Sec. 15 to 23 incl; all Sec. 25 to 29 incl; E $\frac{1}{2}$ Sec. 30; NE $\frac{1}{4}$ Sec. 31; all Sec. 32 to 36 incl.
Fenton	D	Eddy	T.21S-R.28E	All Sec. 15.
Forest	SA	Eddy	T.16S-R.29E	S $\frac{1}{2}$ Sec. 26; S $\frac{1}{2}$ Sec. 27; all Sec. 34 & 35.
Fowler	E	Lea	T.24S-R.37E	W $\frac{1}{2}$ Sec. 14; all Sec. 15; N $\frac{1}{2}$ Sec. 22; NW $\frac{1}{4}$ Sec. 23.
Fren	SR	Eddy	T.17S-R.30E T.17S-R.31E	All Sec. 22,23,24,25,26 & 27. S $\frac{1}{2}$ Sec. 16; S $\frac{1}{2}$ Sec. 17; S $\frac{1}{2}$ Sec. 18; all Sec. 19,20,21,22,29 & 30.
Garrett	SA	Lea	T.16S-R.38E	E $\frac{1}{2}$ Sec. 22; W $\frac{1}{2}$ Sec. 23.
Getty	Y	Eddy	T.20S-R.29E	SW $\frac{1}{4}$ Sec. 13, SE $\frac{1}{4}$ Sec. 14; E $\frac{1}{2}$ Sec. 23; W $\frac{1}{2}$ Sec. 24; NW $\frac{1}{4}$ Sec. 25; NE $\frac{1}{4}$ Sec. 26.
Grayburg-Jackson	Q-G-SA	Eddy	T.17S-R.29E T.17S-R.30E T.17S-R.31E	S $\frac{1}{2}$ Sec. 13; S $\frac{1}{2}$ Sec. 14; all Sec. 20, 21,22,23,24,25,26,27,28 & 29; N $\frac{1}{2}$ & N $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 32; N $\frac{1}{2}$ & N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 33; all Sec. 34; N $\frac{1}{2}$ & N $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 35; N $\frac{1}{2}$ Sec. 36. S $\frac{1}{2}$ Sec. 12; all Sec. 13 to 17 incl; S $\frac{1}{2}$ Sec. 18; all Sec. 19 to 21 incl; N $\frac{1}{2}$ Sec. 22; N $\frac{1}{2}$ Sec. 23; N $\frac{1}{2}$ Sec. 24; N $\frac{1}{2}$ Sec. 29; all Sec. 30. S $\frac{1}{2}$ Sec. 7; S $\frac{1}{2}$ Sec. 8; S $\frac{1}{2}$ Sec. 9; all Sec. 14 to 18 incl; N $\frac{1}{2}$ Sec. 19; N $\frac{1}{2}$ Sec. 20; all Sec. 21,22 & 23; N $\frac{1}{2}$ Sec. 26; N $\frac{1}{2}$ Sec. 27; N $\frac{1}{2}$ Sec. 28.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Grayburg-Keely	SA	Eddy	T.17S-R.29E	S $\frac{1}{2}$ Sec. 22; S $\frac{1}{2}$ Sec. 23; all Sec. 26 & 27.
Hale Pool (Gas-S.I.)	T	Eddy	T.20S-R.30E	SW $\frac{1}{4}$ Sec. 12; NW $\frac{1}{4}$ Sec. 13.
Halfway	Y	Lea	T.20S-R.32E	S $\frac{1}{2}$ Sec. 9; all Sec. 16.
Hardy	Q-G	Lea	T.20S-R.37E T.20S-R.38E T.21S-R.36E T.21S-R.37E	All Sec. 36. All Sec. 31. Lots 1,2,7,8,9,10,15 & 16 of Sec. 1. All Sec. 5 & 6; N $\frac{1}{2}$ Sec. 7.
Hare	SIM	Lea	T.21S-R.37E	S $\frac{1}{2}$ Sec. 21; SW $\frac{1}{4}$ Sec. 22; all Sec. 28; E $\frac{1}{2}$ Sec. 32; W $\frac{1}{2}$ & NE $\frac{1}{4}$ Sec. 33.
Hare, South	SIM	Lea	T.22S-R.37E	SE $\frac{1}{4}$ Sec. 9; S $\frac{1}{2}$ & NW $\frac{1}{4}$ Sec. 15; NE $\frac{1}{4}$ Sec. 16; N $\frac{1}{2}$ Sec. 22.
Harrison	P	Lea	T.23S-R.37E	SW $\frac{1}{4}$ Sec. 16; NW $\frac{1}{4}$ Sec. 21.
Henshaw	SA	Eddy	T.16S-R.30E	All Sec. 13.
High Lonesome	Q	Eddy	T.16S-R.29E	SW $\frac{1}{4}$ Sec. 16; S $\frac{1}{2}$ Sec. 17; N $\frac{1}{2}$ Sec. 20; NW $\frac{1}{4}$ Sec. 21.
High Lonesome, South	G-SA	Eddy	T.16S-R.29E T.17S-R.28E T.17S-R.29E	S $\frac{1}{2}$ Sec. 31; NE $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 32; all Sec. 33. NE $\frac{1}{4}$ Sec. 1. N $\frac{1}{2}$ Sec. 4; N $\frac{1}{2}$ Sec. 5; N $\frac{1}{2}$ Sec. 6.
Hightower	D	Lea	T.12S-R.33E	All Sec. 22,23,26 & 27.
Hobbs	SA	Lea	T.18S-R.37E T.18S-R.38E T.19S-R.38E	All Sec. 13,14,23,24,25 & 36. All Sec. 17 to 22 incl; all Sec. 27 to 34 incl. All Sec. 3,4,5,6,8,9,10,15 & 16.
House	DR	Lea	T.20S-R.38E	SW $\frac{1}{4}$ Sec. 1; SE $\frac{1}{4}$ Sec. 2; NE $\frac{1}{4}$ Sec. 11; NW $\frac{1}{4}$ Sec. 12.
Justis (Gas)	P	Lea	T.25S-R.37E	SW $\frac{1}{4}$ Sec. 1; SE $\frac{1}{4}$ Sec. 2; E $\frac{1}{2}$ Sec. 11; W $\frac{1}{2}$ Sec. 12; W $\frac{1}{2}$ Sec. 13; E $\frac{1}{2}$ Sec. 14; E $\frac{1}{2}$ Sec. 23; W $\frac{1}{2}$ Sec. 24.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Knowles	Dev.	Lea	T.16S-R.38E T.17S-R.38E	E $\frac{1}{2}$ Sec. 34; all Sec. 35. N $\frac{1}{2}$ Sec. 2; NE $\frac{1}{4}$ Sec. 3.
Langlie-Mattix	Y-SR-Q	Lea	T.23S-R.36E T.23S-R.37E T.24S-R.36E T.24S-R.37E T.25S-R.37E T.26S-R.37E	All Sec. 1,2,11,12,13,14,23,24,25, 26, 35 & 36. W $\frac{1}{2}$ Sec. 6; all Sec. 7,18,19; S $\frac{1}{2}$ Sec. 28; all Sec. 29 to 34 incl. All Sec. 1; E $\frac{1}{2}$ Sec. 2; E $\frac{1}{2}$ Sec. 11; all Sec. 12; NW $\frac{1}{4}$ & E $\frac{1}{2}$ Sec. 13; E $\frac{1}{2}$ Sec. 24; E $\frac{1}{2}$ Sec. 25; E $\frac{1}{2}$ Sec. 36. All Sec. 2 to 11 incl; all Sec. 14 to 23 incl; all Sec. 26 to 35 incl. All Sec. 2,3,4, & 5; E $\frac{1}{2}$ & NW $\frac{1}{4}$ Sec. 6; E $\frac{1}{2}$ Sec. 7; all Sec. 8,9,10 & 11; W $\frac{1}{2}$ Sec. 13; all Sec. 14 thru 17 incl; E $\frac{1}{2}$ Sec. 18; E $\frac{1}{2}$ Sec. 19; all Sec. 20 to 23 incl; W $\frac{1}{2}$ Sec. 24; W $\frac{1}{2}$ Sec. 25; all Sec. 26 to 29 incl; E $\frac{1}{2}$ Sec. 32; all Sec. 33,34, & 35; W $\frac{1}{2}$ Sec. 36. NW $\frac{1}{4}$ Sec. 1; NE $\frac{1}{4}$ Sec. 2.
Lea (Abandoned)	Y	Lea	T.20S-R.34E	W $\frac{1}{2}$ Sec. 14.
Leo	G	Eddy	T.18S-R.30E	S $\frac{1}{2}$ Sec. 14; S $\frac{1}{2}$ Sec. 15; S $\frac{1}{2}$ Sec. 16; N $\frac{1}{2}$ Sec. 21; all Sec. 22 & 23.
Leonard	SR	Lea	T.26S-R.37E	All Sec. 11 & 12.
Loco Hills	G-SA	Eddy	T.17S-R.29E T.17S-R.30E T.18S-R.29E T.18S-R.30E	S $\frac{1}{2}$ Sec. 31; S $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 32; S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 33; S $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 35; S $\frac{1}{2}$ Sec. 36. S $\frac{1}{2}$ Sec. 29; all Sec. 31 & 32. All Sec. 1 to 18 incl. All Sec. 5,6,7 & 18.
Loco Hills Queen	Q	Eddy	T.17S-R.30E	SW $\frac{1}{4}$ Sec. 29; SE $\frac{1}{4}$ Sec. 30.
Logan Draw	SA	Eddy	T.17S-R.27E	S $\frac{1}{2}$ Sec. 19.
Lovington	SA	Lea	T.16S-R.36E T.16S-R.37E T.17S-R.36E T.17S-R.37E	S $\frac{1}{2}$ Sec. 25; S $\frac{1}{2}$ Sec. 26; all Sec. 35 & 36. S $\frac{1}{2}$ Sec. 30; all Sec. 31; W $\frac{1}{2}$ Sec. 32. All Sec. 1 & 2; N $\frac{1}{2}$ Sec. 11; N $\frac{1}{2}$ Sec. 12. W $\frac{1}{2}$ Sec. 5; all Sec. 6; N $\frac{1}{2}$ Sec. 7.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Lovington, West	SA	Lea	T.16S-R.36E T.17S-R.36E	S $\frac{1}{2}$ Sec. 32; SW $\frac{1}{4}$ Sec. 33. W $\frac{1}{2}$ Sec. 3; all Sec. 4, 5, E $\frac{1}{2}$ & SW$\frac{1}{4}$ Sec. 6 SW $\frac{1}{4}$ Sec. 6; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 7; all Sec. 8; N $\frac{1}{2}$ Sec. 9.
Lusk	Y	Eddy & Lea	T.19S-R.31E T.19S-R.32E	All Sec. 24. W $\frac{1}{2}$ Sec. 19.
Lusk, East (Abandoned)	Y	Lea	T.19S-R.32E	S $\frac{1}{2}$ Sec. 21; N $\frac{1}{2}$ Sec. 28.
Lusk, West	Y	Eddy	T.19S-R.31E	SE $\frac{1}{4}$ Sec. 15; NE $\frac{1}{4}$ Sec. 22.
Lynch	Y	Lea	T.20S-R.34E T.21S-R.33E	S $\frac{1}{2}$ Sec. 27; all Sec. 34; SW $\frac{1}{4}$ Sec. 35. W $\frac{1}{2}$ Sec. 1; all Sec. 2.
Lynch, North	Y	Lea	T.20S-R.34E	E $\frac{1}{2}$ Sec. 18.
Maljamar	G-SA	Lea & Eddy	T.17S-R.31E T.17S-R.32E T.17S-R.33E T.18S-R.32E	S $\frac{1}{2}$ Sec. 13; all Sec. 24 & 25. SE $\frac{1}{4}$ Sec. 8; S $\frac{1}{2}$ Sec. 9; S $\frac{1}{2}$ Sec. 14; all Sec. 15 to 36 incl. All Sec. 19; S $\frac{1}{2}$ Sec. 20; SW $\frac{1}{4}$ Sec. 21; W $\frac{1}{2}$ Sec. 28; All Sec. 29 & 30; N $\frac{1}{2}$ Sec. 31; N $\frac{1}{2}$ Sec. 32; all Sec. 33. All Sec. 4 & 5.
Maljamar, East	G-SA	Lea	T.17S-R.33E	All Sec. 16.
Maljamar, North	G	Lea	T.17S-R.32E	SW $\frac{1}{4}$ Sec. 5; SE $\frac{1}{4}$ Sec. 6; NE $\frac{1}{4}$ Sec. 7; NW $\frac{1}{4}$ Sec. 8.
Maljamar, South	G	Lea	T.18S-R.32E	SW $\frac{1}{4}$ Sec. 14; S $\frac{1}{2}$ Sec. 15; all Sec. 22; W $\frac{1}{2}$ Sec. 23.
McCormack	SIL	Lea	T.21S-R.37E	S $\frac{1}{2}$ Sec. 29; all Sec. 32.
McMillan	SR-Q	Eddy	T.19S-R.27E T.20S-R.27E	E $\frac{1}{2}$ Sec. 31 All Sec. 6; N $\frac{1}{2}$ Sec. 7.
Monument-Abo	LP	Lea	T.19S-R.36E T.19S-R.37E T.20S-R.36E T.20S-R.37E	All Sec. 36. All Sec. 31. All Sec. 1. All Sec. 6.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Monument-Blinebry	B	Lea	T.19S-R.36E T.19S-R.37E T.20S-R.36E T.20S-R.37E	All Sec. 36. All Sec. 31. All Sec. 1. All Sec. 6.
Monument-McKee	SIM	Lea	T.19S-R.36E T.19S-R.37E T.20S-R.36E T.20S-R.37E	All Sec. 36. All Sec. 31. All Sec. 1. All Sec. 6.
Monument-Paddock	P	Lea	T.19S-R.36E T.19S-R.37E T.20S-R.36E T.20S-R.37E	All Sec. 36. All Sec. 31. All Sec. 1. All Sec. 6.
Nichols	SA	Eddy	T.18S-R.28E	All Sec. 13; N $\frac{1}{2}$ Sec. 24.
Paddock	P	Lea	T.21S-R.37E T.21S-R.38E T.22S-R.37E T.22S-R.38E	SE $\frac{1}{4}$ Sec. 19; S $\frac{1}{2}$ Sec. 20; all Sec. 27, 28 & 29; E $\frac{1}{2}$ Sec. 30; all Sec. 32 to 35 incl.; S $\frac{1}{2}$ Sec. 36. SW $\frac{1}{4}$ Sec. 31. All Sec. 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14 & 15; N $\frac{1}{2}$ Sec. 16. W $\frac{1}{2}$ Sec. 6; W $\frac{1}{2}$ Sec. 7.
Palmillo (Abandoned)	SR	Eddy	T.18S-R.29E	S $\frac{1}{2}$ Sec. 30.
PCA	Y	Eddy	T.20S-R.30E	S $\frac{1}{2}$ Sec. 10; all Sec. 15.
Pearsall	Q	Lea	T.17S-R.32E T.18S-R.32E	All Sec. 26; S $\frac{1}{2}$ Sec. 27; all Sec. 32 to 35 incl. All Sec. 4 & 5.
Penrose Skelly	Q-G	Lea	T.21S-R.36E T.21S-R.37E T.22S-R.37E T.23S-R.37E	E $\frac{1}{2}$ Sec. 13. S $\frac{1}{2}$ Sec. 7; S $\frac{1}{2}$ Sec. 8; S $\frac{1}{2}$ Sec. 16; all Sec. 17 & 18; E $\frac{1}{2}$ Sec. 19; all Sec. 20, 21, 27, 28 & 29; E $\frac{1}{2}$ Sec. 30; E $\frac{1}{2}$ Sec. 31; all Sec. 32 to 35 incl. All Sec. 2, 3, 4, & 5; E $\frac{1}{2}$ Sec. 6; NE $\frac{1}{4}$ Sec. 7; all Sec. 8, 9, 10, 11, 14, 15 & 16; E $\frac{1}{2}$ Sec. 17; E $\frac{1}{2}$ Sec. 20; All Sec. 21, 22, 23, 26, 27 & 28; E $\frac{1}{2}$ Sec. 29; all Sec. 32, 33, & 34; W $\frac{1}{2}$ Sec. 35. W $\frac{1}{2}$ Sec. 2; all Sec. 3, 4 & 5; E $\frac{1}{2}$ Sec. 6; all Sec. 8, 9 & 10; W $\frac{1}{2}$ Sec. 11; W $\frac{1}{2}$ Sec. 14; all Sec. 15, 16 & 17; N $\frac{1}{2}$ Sec. 20; all Sec. 21.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Premier	G	Eddy	T.17S-R.30E T.17S-R.31E	S $\frac{1}{2}$ Sec. 22; S $\frac{1}{2}$ Sec. 23; S $\frac{1}{2}$ Sec. 24; all Sec. 25,26,27,28,33,34,35 & 36. S $\frac{1}{2}$ Sec. 19; S $\frac{1}{2}$ Sec. 20; all Sec. 29 & 30; N $\frac{1}{2}$ Sec. 31.
Red Lake	G-SA	Eddy	T.17S-R.27E T.17S-R.28E T.18S-R.27E	NE $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 25; S $\frac{1}{2}$ Sec. 34; all sec. 35 & 36. SW $\frac{1}{4}$ Sec. 2; S $\frac{1}{2}$ Sec. 3; all Sec. 4, 5,8,9, & 10; W $\frac{1}{2}$ Sec. 11; W $\frac{1}{2}$ Sec. 14; all Sec. 15,16 & 17; S $\frac{1}{2}$ Sec. 19; all Sec. 20,21,22,23; N $\frac{1}{2}$ Sec. 24; all Sec. 26,27,28,29 & 30; N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 31. N $\frac{1}{2}$ Sec. 1; N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 2; all Sec. 3 to 6 incl; E $\frac{1}{2}$ Sec. 7; all Sec. 8; W $\frac{1}{2}$ & NE $\frac{1}{4}$ Sec. 9.
Rhodes	Y-SR	Lea	T.26S-R.37E	All Sec. 4, 5 & 6; E $\frac{1}{2}$ Sec. 7; all Sec. 8 & 9; S $\frac{1}{2}$ Sec. 10; all Sec. 15, 16 & 17; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 20; all Sec. 21 & 22; S $\frac{1}{2}$ Sec. 23; all Sec. 26, 27,28,34 & 35.
Roberts	G	Lea	T.17S-R.32E T.17S-R.33E	S $\frac{1}{2}$ Sec. 1; S $\frac{1}{2}$ Sec. 2; all Sec. 3; N $\frac{1}{2}$ Sec. 10; all Sec. 11; N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 12. S $\frac{1}{2}$ Sec. 6; N $\frac{1}{2}$ Sec. 7.
Robinson	G-SA	Eddy & Lea	T.16S-R.31E T.16S-R.32E	S $\frac{1}{2}$ Sec. 25; all Sec. 35; N $\frac{1}{2}$ & SW $\frac{1}{4}$ Sec. 36. SW $\frac{1}{4}$ Sec. 30; N $\frac{1}{2}$ & SE $\frac{1}{4}$ Sec. 31; W $\frac{1}{2}$ Sec. 32.
Russell	Y	Eddy	T.20S-R.28E	S $\frac{1}{2}$ Sec. 12; all Sec. 13,14 & 23; W $\frac{1}{2}$ Sec. 24.
Salt Lake (Abandoned)	Y	Lea	T.20S-R.33E	All Sec. 7 & 18.
San Simon	Y	Lea	T.21S-R.33E T.22S-R.35E	SE $\frac{1}{4}$ Sec. 32; SW $\frac{1}{4}$ Sec. 33. NW $\frac{1}{4}$ Sec. 4; NE $\frac{1}{4}$ Sec. 5.
Sawyer	SA	Lea	T.9S-R.37E T.9S-R.38E	All Sec. 13 & 24 All Sec. 18, 19 & 30.
Scanlon (Gas-S.I.)	T	Eddy	T.20S-R.29E	SW $\frac{1}{4}$ Sec. 29; SE $\frac{1}{4}$ Sec. 30.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Shugart	Y-Q	Eddy	T.18S-R.31E T.19S-R.31E	S $\frac{1}{2}$ Sec. 34; SW $\frac{1}{4}$ Sec. 35. NW $\frac{1}{4}$ Sec. 2; N $\frac{1}{2}$ Sec. 3.
Shugart, North	Q	Eddy	T.18S-R.31E	S $\frac{1}{2}$ Sec. 8; S $\frac{1}{2}$ Sec. 9; S $\frac{1}{2}$ Sec. 10; NE $\frac{1}{4}$ & S $\frac{1}{2}$ Sec. 11; all Sec. 12; N $\frac{1}{2}$ Sec. 13; N $\frac{1}{2}$ Sec. 14; all Sec. 15, 16,17,18,20 & 21; N $\frac{1}{2}$ Sec. 22; N $\frac{1}{2}$ Sec. 28; N $\frac{1}{2}$ Sec. 29.
Skaggs	G	Lea	T.20S-R.37E T.20S-R.38E	All Sec. 24; N $\frac{1}{2}$ Sec. 25. All Sec. 19; N $\frac{1}{2}$ Sec. 30.
Square Lake	G-SA	Eddy	T.16S-R.30E T.16S-R.31E T.17S-R.30E T.17S-R.31E	S $\frac{1}{2}$ Sec. 24; all Sec. 25,26 & 27; S $\frac{1}{2}$ Sec. 28; E $\frac{1}{2}$ Sec. 32; all Sec. 33 to 36 incl. S $\frac{1}{2}$ Sec. 19, S $\frac{1}{2}$ Sec. 20; S $\frac{1}{2}$ Sec. 21; SW $\frac{1}{4}$ Sec. 27; all Sec. 28 to 34 incl. All Sec. 1 to 4 incl; E $\frac{1}{2}$ Sec. 5; N $\frac{1}{2}$ Sec. 11; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 12. NW $\frac{1}{4}$ Sec. 3; N $\frac{1}{2}$ Sec. 4; N $\frac{1}{2}$ Sec. 5; N $\frac{1}{2}$ Sec. 6.
Teague	SIM	Lea	T.23S-R.37E	All Sec. 21,22,27 & 28.
Tonto	SR	Lea	T.19S-R.33E	E $\frac{1}{2}$ Sec. 22; W $\frac{1}{2}$ Sec. 23.
Turkey Track	Q-G	Eddy	T.18S-R.29E T.19S-R.29E	S $\frac{1}{2}$ Sec. 34; SW $\frac{1}{4}$ Sec. 35. W $\frac{1}{2}$ Sec. 2; all Sec. 3; N $\frac{1}{2}$ Sec. 10; NW $\frac{1}{4}$ Sec. 11.
Turkey Track- Seven Rivers	SR	Eddy	T.19S-R.29E	SW $\frac{1}{4}$ Sec. 2; S $\frac{1}{2}$ Sec. 3; N $\frac{1}{2}$ Sec. 10; NW $\frac{1}{4}$ Sec. 11.
Vacuum	G-SA	Lea	T.17S-R.34E T.17S-R.35E T.18S-R.34E T.18S-R.35E	All Sec. 3 to 36 incl. All Sec. 7; all Sec. 18 to 36 incl. All Sec. 1,2,3,4,11 & 12. All Sec. 3 to 7 incl.
Warren-McKee	SIM	Lea	T.20S-R.38E	All Sec. 29.
Watkins	SR	Lea	T.18S-R.32E T.19S-R.32E	All Sec. 31. N $\frac{1}{2}$ Sec. 6.
Watkins-Grayburg	G	Lea	T.18S-R.32E T.19S-R.32 E	S $\frac{1}{2}$ Sec. 31. N $\frac{1}{2}$ Sec. 6.

POOL	PRODUCING FORMATION	COUNTY	TWP. & RGE.	DESCRIPTION
Weir	DR	Lea	T.20S-R.37E	E $\frac{1}{4}$ Sec. 22; all Sec. 23; W $\frac{1}{2}$ Sec. 24; NW $\frac{1}{4}$ Sec. 25; N $\frac{1}{2}$ Sec. 26; NE $\frac{1}{4}$ Sec. 27.
Wilson	Y-SR	Lea	T.21S-R.34E T.21S-R.35E	E $\frac{1}{2}$ Sec. 12; all Sec. 13; E $\frac{1}{2}$ Sec. 14; all Sec. 23 & 24; N $\frac{1}{2}$ Sec. 26. S $\frac{1}{2}$ Sec. 6; all Sec. 7 & 18.
Wilson, West	SR	Lea	T.21S-R.34E	All Sec. 16; N $\frac{1}{2}$ Sec. 21.
Young	Q	Lea	T.18S-R.32E	S $\frac{1}{2}$ Sec. 17; N $\frac{1}{2}$ Sec. 20.

INDEX TO PRODUCING FORMATIONS

T	-Tansil (Permian)	
Y	-Yates (Permian)	
SR	-Seven Rivers (Permian)	
Q	-Queen (Permian)	
G	-Grayburg (Permian)	
D	-Delaware (Permian)	
SA	-San Andres (Permian)	
P	-Paddock (Glorieta & Upper Yeso-Permian)	See Bulletin
B	-Blinbry (Upper Yeso-Permian)) #23, New Mex.
DR	-Drinkard (Lower Leonard-Permian)) School of Mines.
LP	-Lower Permian (Permian)	
PE	-Pennsylvanian (Pennsylvanian)	
SD	-Siluro-Devonain (Silurian-Devonian)	
SIL	-Silurian (Silurian)	
MON	-Montoya (Ordovician)	
SIM	-Simpson (Ordovician)	
E	-Ellenburger (Ordovician)	

APPENDIX B

GAS-OIL RATIOS ESTABLISHED PURSUANT TO RULE 506

<u>POOL</u>	<u>GAS OIL RATIO LIMIT</u>	<u>COUNTY</u>
Anderson	2000	Eddy
Arrowhead	3500	Lea
Artesia	2000	Eddy
Atoka	2000	Eddy
Barber	2000	Eddy
Benson	2000	Eddy
Blinebry	2000	Lea
Brunson	2000	Lea
Burton	2000	Eddy
Caprock	2000	Chaves & Lea
Cass	2000	Lea
Comanche	2000	Chaves
Corbin	2000	Lea
Culwin	2000	Eddy
Daugherty	2000	Eddy
Dayton	2000	Eddy
Dayton, East	2000	Eddy
Drinkard	2000	Lea
Dublin	2000	Lea
Eaves	2000	Lea
Eighty-four Draw	2000	Lea
Empire	2000	Eddy
Eunice-Monument;		
Eunice portion	6000	Lea
Monument	3000	Lea
Eunice, West	2000	Lea
Fenton	2000	Eddy
Forrest	2000	Eddy
Fren	2000	Eddy
Getty	2000	Eddy
Grayburg-Jackson	4000	Eddy
Halfway	2000	Lea
Harrison	2000	Lea
Henshaw	2000	Eddy
High-Lonesome	2000	Eddy
High-Lonesome South	2000	Eddy
Hobbs	3500	Lea
Jones	2000	Lea
Lea	2000	Lea
Leo	2000	Eddy
Loco Hills	3000	Eddy
Lovington	2000	Lea
Lovington, West	2000	Lea
Lusk, East	2000	Lea
Lusk	2000	Eddy & Lea
Lusk, West	2000	Eddy
Lynch	2000	Lea

<u>POOL</u>	<u>GAS OIL RATIO LIMIT</u>	<u>COUNTY</u>
Lynch, North	2000	Lea
Maljamar	3000	Eddy & Lea
Maljamar, North	2000	Lea
Maljamar, South	2000	Lea
McMillan	2000	Eddy
Paddock	2000	Lea
PCA	2000	Eddy
Pearsall	2000	Lea
Premier	2000	Eddy
Red Lake	2000	Eddy
Roberts	2000	Lea
Roberts, West	2000	Lea
Robinson	2000	Eddy & Lea
Russell	2000	Eddy
Salt Lake	2000	Lea
San Simon	2000	Lea
Shugart	2000	Eddy
Shugart, North	2000	Eddy
Skaggs	2000	Lea
Square Lake	2000	Eddy
Tonto	2000	Lea
Turkey Track	2000	Eddy
Young	2000	Lea
Vacuum	2500	Lea
Watkins	2000	Lea
Weir	2000	Lea

APPENDIX C

- FORMS -

NOTICE OF INTENTION TO DRILL

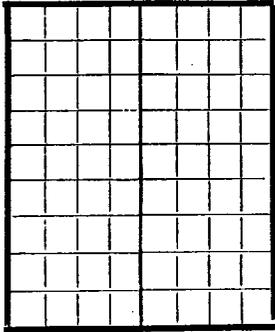
Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

OIL CONSERVATION COMMISSION, Santa Fe, New Mexico, Place Date

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as

Company or Operator Lease well No. in of Sec. T. R. N. M., P. M., Field, County.



AREA 640 ACRES

LOCATE WELL CORRECTLY

The well is feet (N.) (S.) of the line and feet (E.) (W.) of the line of

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. Assignment No.

If patented land the owner is

Address

If government land the permittee is

Address

The lessee is

Address

We propose to drill well with drilling equipment as follows:

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows:

We propose to use the following strings of casing and to land or cement them as indicated:

Table with 7 columns: Size of Hole, Size of Casing, Weight Per Foot, New or Second Hand, Depth, Landed or Cemented, Sacks Cement.

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about feet.

Additional information:

Approved, 19 except as follows:

Sincerely yours,

Company or Operator

By

Position

Send communications regarding well to:

OIL CONSERVATION COMMISSION,

By

Name

Title

Address

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of notice by checking below:

NOTICE OF INTENTION TO TEST CASING SHUT-OFF		NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL	
NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING	
NOTICE OF INTENTION TO REPAIR WELL		NOTICE OF INTENTION TO PLUG WELL	
NOTICE OF INTENTION TO DEEPEN WELL			

Place

Date

OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a notice of intention to do certain work as described below at the _____

_____ Well No. _____ in _____
 Company or Operator Lease
 of Sec. _____, T. _____, R. _____, N. M. P. M., _____ Field.
 _____ County.

FULL DETAILS OF PROPOSED PLAN OF WORK
 FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION

Approved _____, 19____
 except as follows:

 Company or Operator

By _____

Position _____
 Send communications regarding well to

OIL CONSERVATION COMMISSION,

Name _____

By _____

Address _____

Title _____

OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in triplicate to the Oil Conservation Commission or its proper agent within ten days after the work specified is completed. It should be signed and sworn to before a notary public for reports on beginning drilling operations, results of shooting well, results of test of casing shut off, result of plugging of well, and other important operations, even though the work was witnessed by an agent of the Commission. Reports on minor operations need not be signed and sworn to before a notary public. See additional instructions in the Rules and Regulations of the Commission.

Indicate nature of report by checking below.

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON REPAIRING WELL	
REPORT ON RESULT OF SHOOTING OR CHEMICAL TREATMENT OF WELL		REPORT ON PULLING OR OTHERWISE ALTERING CASING	
REPORT ON RESULT OF TEST OF CASING SHUT-OFF		REPORT ON DEEPENING WELL	
REPORT ON RESULT OF PLUGGING OF WELL			

Date _____

Place _____

OIL CONSERVATION COMMISSION,
SANTA FE, NEW MEXICO

Gentlemen:

Following is a report on the work done and the results obtained under the heading noted above at the _____ Well No. _____ in the _____ Company or Operator _____ Lease _____ of Sec. _____, T. _____, R. _____, N. M. P. M., _____ Field, _____ County.

The dates of this work were as follows: _____

Notice of intention to do the work was (was not) submitted on Form C-102 on _____ 19____ and approval of the proposed plan was (was not) obtained. (Cross out incorrect words.)

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Witnessed by _____

Name	Company	Title
Subscribed and sworn before me this _____	I hereby swear or affirm that the information given above is true and correct.	
_____ day of _____ 19____	Name _____	Position _____
Notary Public	Representing _____	
	Company or Operator	
My commission expires _____	Address _____	

Remarks: _____

Name _____

Title _____

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
REQUEST FOR ALLOWABLE

D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	P

Oil Well _____
Gas Well _____
Workover Well _____

Place _____
Date _____
Designate UNIT well is located in
FOOL _____

NOTICE OF COMPLETION OF: (Lease) _____ Well No. _____
_____ feet from _____ Line _____ feet from _____ Line;

DATE STARTED _____ DATE COMPLETED _____
ELEVATION D. F. _____ TOTAL DEPTH D. F. _____
CABLE TOOLS _____ ROTARY TOOLS _____
PERFORATIONS DEPTH _____ OR OPEN HOLE DEPTH _____

CASING RECORD

SIZE _____ DEPTH SET _____ SAX CEMENT _____
SIZE _____ DEPTH SET _____ SAX CEMENT _____
SIZE _____ DEPTH SET _____ SAX CEMENT _____

TUBING RECORD

SIZE _____ DEPTH _____

ACID RECORD

NO. GALS. _____ NO. QTS. _____
NO. GALS. _____ NO. QTS. _____
NO. GALS. _____ NO. QTS. _____

SHOT RECORD

FORMATION TOPS

T. Anhydrite _____ T. Grayburg _____ T. Miss. _____
T. Salt _____ T. San Andres _____ T. Dev. _____
B. Salt _____ T. Glorieta _____ T. Sil. _____
T. Yates _____ T. Frinkard _____ T. Ord. _____
T. Seven Rivers _____ T. Wolfcamp _____ T. Granite Wash _____
T. Queen _____ T. Penn. _____ T. Granite _____

OIL OR GAS PAY _____ WATER _____

Initial Production Test _____ Pumping _____ Flowing _____
Test after acid or shot _____

Initial Gas Volume _____

DATE first oil run to tank or gas to pipe line _____

PIPE LINE TAKING OIL _____

REMARKS: _____ COMPANY _____

_____ SIGNED BY _____

OIL CONSERVATION COMMISSION - BY: _____
TITLE _____

RULE 1114. REQUEST FOR ALLOWABLE (FORM C-104)

It is necessary that this form be submitted by the operators before an allowable will be assigned to any newly completed oil or natural gas well. C-110 "Certificate of Compliance" will not be approved until C-104 is filed with the Commission.

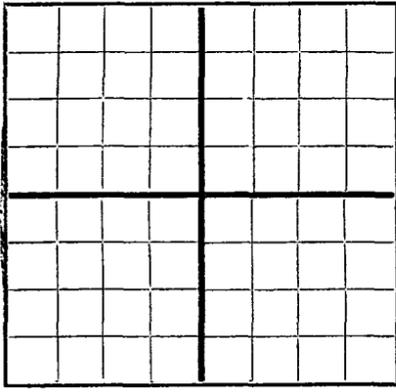
Form C-104 is to be submitted in triplicate and mailed to the Oil Conservation Commission Office, to which Form C-101 was sent. Two copies will be retained by them and the other submitted to the Proration Office, Hobbs, New Mexico.

The allowable will be assigned effective 7:00 A. M., on date of completion, provided C-104 and C-110 is received during month of completion.

The completion date shall be that date in the case of an oil well, when oil is delivered into the stock tanks, and in the case of a natural gas well the completion date shall be at 7:00 A. M., on that date that gas is available to gathering lines.

ILLEGIBLE

N



AREA 640 ACRES
LOCATE WELL CORRECTLY

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

WELL RECORD

Mail to Oil Conservation Commission, Santa Fe, New Mexico, or its proper agent not more than twenty days after completion of well. Follow instructions in the Rules and Regulations of the Commission. Indicate questionable data by following it with (?). SUBMIT IN TRIPLICATE. FORM C-110 WILL NOT BE APPROVED UNTIL FORM C-105 IS PROPERLY FILLED OUT.

Company or Operator Address
Well No. in of Sec., T.
Lease
R., N. M. P. M., Field, County.
Well is feet south of the North line and feet west of the East line of
If State land the oil and gas lease is No. Assignment No.
If patented land the owner is Address
If Government land the permittee is Address
The Lessee is Address
Drilling commenced 19..... Drilling was completed 19.....
Name of drilling contractor Address
Elevation above sea level at top of casing feet.
The information given is to be kept confidential until 19.....

OIL SANDS OR ZONES

No. 1, from to No. 4, from to
No. 2, from to No. 5, from to
No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.
No. 1, from to feet.
No. 2, from to feet.
No. 3, from to feet.
No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	THREADS PER INCH	MAKE	AMOUNT	KIND OF SHOE	CUT & FILLED FROM	PERFORATED		PURPOSE
							FROM	TO	

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHODS USED	MUD GRAVITY	AMOUNT OF MUD USED

PLUGS AND ADAPTERS

Heaving plug—Material Length Depth Set
Adapters — Material Size

RECORD OF SHOOTING OR CHEMICAL TREATMENT

SIZE	SHELL USED	EXPLOSIVE OR CHEMICAL USED	QUANTITY	DATE	DEPTH SHOT OR TREATED	DEPTH CLEANED OUT

Results of shooting or chemical treatment.....
.....
.....

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto.

TOOLS USED

Rotary tools were used from feet to feet, and from feet to feet
Cable tools were used from feet to feet, and from feet to feet

PRODUCTION

Put to producing 19.....
The production of the first 24 hours was barrels of fluid of which % was oil; % emulsion; % water; and % sediment. Gravity, Be.....
If gas well, cu. ft. per 24 hours Gallons gasoline per 1,000 cu. ft. of gas.....
Rock pressure, lbs. per sq. in.....

EMPLOYEES

....., Driller Driller
....., Driller Driller

FORMATION RECORD ON OTHER SIDE

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

Subscribed and sworn to before me this.....
day of....., 19.....
Notary Public
My Commission expires.....
Place Date
Name.....
Position.....
Representing.....
Company or Operator
Address.....

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CERTIFICATE of COMPLIANCE and AUTHORIZATION to TRANSPORT OIL

Company or Operator _____ Lease _____

Address _____
(Local or Field Office) (Principal Place of Business)

Unit _____ Wells No. _____ Sec. _____ T _____ R _____ Field _____ County _____

Kind of Lease _____ Location of Tanks _____

Transporter _____ Address of Transporter _____
(Local or Field Office)

Percent of oil to be transported _____ Other transporters authorized to transport oil from this unit are _____ %
(Principal Place of Business)

REMARKS:

The undersigned certifies that the rules and regulations of the Oil Conservation Commission have been complied with except as noted above and that gathering agent is authorized to transport the percentage of oil produced from the above described property and that this authorization will be valid until further notice to the transporter named herein or until cancelled by the Oil Conservation Commission of New Mexico.

Executed this the _____ day of _____, 194_____

(Company or Operator)

By _____

Title _____

State of _____

County of _____

ss.

Before me, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me, this the _____ day of _____, 194_____

Notary Public in and for _____ County, _____

Approved: _____ 194_____

OIL CONSERVATION COMMISSION

By _____

(See Instructions on Reverse Side)

INSTRUCTIONS

This form shall be executed and filed in quadruplicate with the Oil Conservation Commission at Santa Fe, New Mexico, covering each unit from which oil is produced. A separate certificate shall be filed for each transporter authorized to transport oil from a unit. After said certificate has been approved by the Oil Conservation Commission, one copy shall be forwarded to the transporter, one copy returned to the producer, and two copies retained by the Oil Conservation Commission.

A new certificate shall be filed to cover each change in operating ownership and each change in the transporter, except that in the case of a temporary change in the transporter involving less than the allowable production for one month the operator shall in lieu of filing a new certificate, notify the Oil Conservation Commission at Santa Fe, New Mexico, and the transporter authorized by certificate on file with the Commission, by letter of the estimated amount of oil to be moved by the transporter temporarily moving oil from the unit and the name of such temporary transporter and a copy of such notice shall also be furnished such temporary transporter. Such temporary transporter shall not move any more oil than the estimated amount shown in said notice.

This certificate when properly executed and approved by the Oil Conservation Commission shall constitute a permit for pipe line connection and authorization to transport oil from the property named therein and shall remain in full force and effect until

- (a) Operating ownership changes
- (b) The transporter is changed or
- (c) The permit is cancelled by the Commission

If any of the rules and regulations of the Oil Conservation Commission have not been complied with at the same time this report is filed, explain fully under the heading "REMARKS."

In all cases where this certificate is filed to cover a change in operating ownership or a change in the transporter designated to move oil, show under "REMARKS" the previous owner or operator and the transporter previously authorized to transport oil.

A separate report shall be filed to cover each producing unit as designated by the Oil Conservation Commission.

INSTRUCTIONS

The addresses, as required on this report, shall be clear and definite as to Street Number, City and State.

Where gas is taken from an oil and/or gas well by the producer into a fuel or other gas system and used outside the basic lease said producer is required to make this report. In case gas is taken at the well by any person other than the producer then such person is required to make this report.

This report shall be filed in duplicate on or before the 15th day of each calendar month and shall be complete as to data covering the calendar month next preceding the date of filing. One executed copy shall be filed with the Oil Conservation Commission at Santa Fe, and one executed copy shall be filed with the Lea County Proration Office at Hobbs.

Report the volume of gas taken from each gas well separately. Report the volume of gas taken from oil wells by units. All volumes shall be reported in M. C. F. at 14.4 Lbs. plus 10 Oz. pressure.

If any space does not apply fill in the word "NONE."

Make a separate report for each field or pool.

Please use typewriter if possible.

INSTRUCTIONS

This report is required of all Transporters of oil by pipe line, by water or by truck, and by all Storers of oil, as defined by rules and regulations adopting this form. In case products are blended with oil, receipts of such products shall be reported, separately.

This report shall be filed in duplicate on or before the 15th day of each calendar month and shall be complete as to data covering the month next preceding the date of filing. One executed copy shall be filed with the Oil Conservation Commission at Santa Fe and one executed copy with the Lea County Proration Office at Hobbs.

When delivery is made to a transporter show under "To Whom" column the name of transporter and the type of transportation.

In the preparation of this report group and report, separately by leases, the oil run for the account of each shipper or consignor with a sub-total for each shipper or consignor for each field or pool.

Where the space in any section on Sheet 1 is insufficient use Sheet 1-A, Sheet 1-B or Sheet 1-C, and show in the applicable section the number of sheets of Sheets 1-A, 1-B or 1-C attached and made a part of this report.

Do not use fractions of barrels in this report.

If any space does not apply fill in the word "NONE."

Please use typewriter if possible.

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
TRANSPORTER'S AND STORER'S MONTHLY REPORT

Report of _____ Month of _____ 19____

Address _____
(Street) (City) (State)

Receipts From Other Sources

Received From	Place Of Receipt	Barrels

INSTRUCTIONS
OIL CONSERVATION COMMISSION
FORM C-115

The addresses of the producer, as required on this report, shall be clear and definite as to Street Number, City, State and Mailing address.

This report shall be made monthly by each producer of crude petroleum oil. An executed copy shall be filed on or before the 20th day of each month with each of the following: Oil Conservation Commission at Santa Fe; Lea County Proration Office at Hobbs; and the pipe line company or other transporter moving oil, gas, or liquid hydrocarbons from a well or lease tanks or any other receptacle. The report shall be complete as to data covering the calendar month next preceding the date of filing.

Report on this form, the required information relative to, the production of all crude petroleum oil, natural gas, and other hydrocarbons which are produced at the well head in liquid form by ordinary production methods. Show on this report, the required information relative to, products produced from a gas well or gas wells, such as distillate and condensate.

Make a separate report for each lease.

Where a lease is comprised of two or more units, list each unit separately. When two or more units are produced into a central tank battery the amount of oil produced from each unit shall be determined by periodic tests. The oil on hand at the beginning of month, the scheduled allowable, the oil on hand at the end of the month, and total capacity of lease tanks shall be reported by leases.

All amounts of oil shall be reported in barrels computed from 100% tank tables and based upon actual physical gauges.

Do not use fractions of barrels in this report.

If any space does not apply fill in the word "NONE."

Please use typewriter if possible.

**OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
OPERATOR'S MONTHLY REPORT**

Sheet No. _____

The following is a correct report of all oil and gas producing wells of _____
(Company or Operator)

Lease _____ Field _____ County _____ for month of _____ 19____

State Land; Lease No. _____ Assignment No. _____ Government Lease No. _____ Pat. Land _____
(Following to be Reported on Unit Basis)

LOCATION					OIL AND WATER [BBLs.]				GAS—14.4 LB. PLUS 10-OZ. BASE			DAILY WELL NOMINATION	NO. DAYS PRODUCED	SHOW WHETHER FLOWING PUMPING GAS LIFT, OR DEAD	
WELL NO.	UNIT LETTER	SEC.	TWP.	RGE.	[1] NET OIL PROD.	[3] NET OIL SOLD	GRAVITY	[2] WATER BBLs.	TOTAL GAS PROD. M. C. F.	ANNUAL OFFICIAL G.O.R. CU. FT. BBL.	DATE OF TEST				
TOTALS															

- (1) Distribution to units based on: Test _____ Meter _____ Estimate _____
- (2) Method of determining water production: Shake out _____ Estimate _____ Draw Off _____
- (3) Report distillate, condensate or other liquid hydrocarbons (other than oil) in this column, starting with*.

(Following to be Reported on Lease Basis)

No. of Wells	Total on Hand Beginning of Month (Barrels)	Scheduled Allowable for Month	Actual Amount Of Oil Produced	Over-Produced	Under-Produced	Disposition of Oil			Total on Hand End of Month (Barrels)	Total Capacity of Lease Tanks
						Bbls. To Pipe Line	Bbls. to Truck or Tank Car	Transporter		

GAS		Used For Gas Lift	
_____ MCF Used on Lease	_____ MCF Sold to _____	_____ MCF Used on Lease	_____ MCF On _____ Lease
_____ MCF Blown to Air, (By Difference)		_____ MCF On _____	_____ MCF On _____ Lease

Remarks: _____

I hereby swear or affirm that the information given is true and correct.

Signed: _____

Representing: _____ (Company or Operator) Position: _____

Address: _____ Date: _____

**OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO**

Form C-114
Sheet 1

GASOLINE OR OTHER EXTRACTION PLANT MONTHLY REPORT

Report of _____ Month of _____ 19____

Address _____ (Main Office) _____ (Plant)

REPORT ALL VOLUMES IN M.C.F. AT 14.4 LBS. PLUS 10 OZ. PRESSURE

INTAKE VOLUME

TOTAL GAS FROM OIL WELLS	(Details on Sheet 2)	Volume M.C.F.
TOTAL GAS FROM GAS WELLS	(Details on Sheet 2)	
TOTAL GAS FROM OTHER SOURCES	(Details on Sheet 2)	
TOTAL		

Disposition of Residue

Plant Fuel	Volume M.C.F.
Returned For Lease Fuel	
Sold or Other Disposition (Detail Below)	
Returned to Earth	
Vented	
Shrinkage	
TOTAL	

Detail of Sale or Other Disposition of Residue

Name of Purchaser or User	Address	Used For	M. C. F.
TOTAL			

Plant Production, Receipts, Deliveries and Stock in Barrels of 42 U. S. Gallons

Product	Opening Stock	Receipts	Production	Deliveries*	Closing Stock
Oil					
Condensate					
Gasoline					
Butane					
Propane					
Kerosene					
Other					
TOTAL					

REMARKS: _____

AFFIDAVIT

STATE OF _____
County of _____

_____, the undersigned person; who on this day personally appeared before me and is known to me to be the person whose name is subscribed to this report after being by me duly sworn on oath or affirmation states that he is authorized to make and execute this report, including all attached sheets, that this report is a true and correct reflection of the record of the operations reported herein, and that no pertinent matter inquired about in this report has been omitted therefrom.

Name of Operator _____

Subscribed and Sworn to before me
on this the _____ day of _____ 19____ (Signature) _____ (Title)

Notary Public

In and for _____

*(Follow Instructions on Reverse Side)

INSTRUCTIONS

The addresses, as required on this report, shall be clear and definite as to Street Number, City and State.

This report, including Sheet 2, shall be made by each Operator of a Gasoline Plant, Cycling Plant, or any other plant, at which gasoline, butane, propane, condensate, kerosene, oil or other liquid products are extracted from natural gas.

This report, including Sheet 2, shall be filed in duplicate on or before the 15th day of each calendar month and shall be complete as to data covering the calendar month next preceding the date of filing. One executed copy shall be filed with the Oil Conservation Commission of Santa Fe, and one executed copy with the Lea County Proration Office at Hobbs.

Note: "Deliveries" show under "Remarks" the name of the transporter and the quantity delivered to each, except deliveries to trucks may be reported in total only.

In the preparation of Sheet 2 of this report, group and report by unit the volumes of "Gas From Oil Wells" and the total thereof; group and report by well the volume of "Gas From Gas Wells" and the total thereof; report by each source the volume of "Gas From Other Sources" and the total thereof; and report the total intake Volume from all Sources.

Make a separate report for each plant.

Please use typewriter if possible.

If any space does not apply fill in the word "NONE."

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO REFINER'S MONTHLY REPORT

Report of _____ Month of _____ 19____

Address _____
(Main Office) (Plant)

(Barrels of 42 U. S. Gallons)

Kind	Stock On Hand Beginning Of Month	Receipts (Detail on Sheet 1-A)	Runs To Stills, Re-Runs and/or Blended	Products Manufactured	Deliveries (Detail On Sheet 1-B)	Plant Use and Losses	Stock On Hand End Of Month
Crude Petroleum							
Casinghead Gasoline							
Gasoline							
Kerosene							
Gas Oil							
Fuel Oil							
Lubricating Oil							
Refinery Dists.							
Cracking Stock							
Other Products							
Processing Losses							
TOTAL							

REMARKS: _____

AFFIDAVIT

STATE OF _____

County of _____

_____, the undersigned person, who on this day personally appeared before me and is known to me to be the person whose name is subscribed to this report; after being duly sworn on oath or affirmation states that he is authorized to make and execute this report, including all attached sheets, that this report is a true and correct reflection of the record of the operations reported herein, and that no pertinent matter inquired about in this report has been omitted therefrom.

Name of Refiner _____

Subscribed and Sworn to before me

(Signature)

(Title)

on this the _____ day of _____ 19____

Notary Public

In and for _____

(Follow Instructions on Reverse Side)

INSTRUCTIONS

This report, including Sheet 1-A, Sheet 1-B and Sheet 2, is required of all refiners, as defined in rules and regulations adopting this form.

This report is required of all refiners, as defined by rules and regulations, for each plant and must be filed in duplicate on or before the 15th day of each month and shall be complete as to data covering the calendar month next preceding the date of filing. One executed copy shall be filed with the Oil Conservation Commission at Santa Fe, and one executed copy with the Lea County Proration Office at Hobbs.

In the preparation of Sheet 1-B of this report group each commodity and show the total thereof, and show the Grand Total of all commodities delivered.

Do not use fractions of barrels in this report.

If any space does not apply fill in the word "NONE."

Please use typewriter if possible.

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO REFINER'S MONTHLY REPORT

Report of _____ Month of _____ 19____

Address _____
(Main Office) (Plant)

Detail Statement of All Receipts Into Plant (Barrels of 42 U. S. Gallons)

Transporter From Whom Received	State or County of Origin	Petroleum	Casinghead Gasoline	Kerosene	Stock For Cracking	Other	
						Barrels	Kind
TOTAL							

Grand Total All Receipts Barrels

NEW MEXICO OIL CONSERVATION COMMISSION

Gas-Oil Ratio Report

OPERATOR _____

FIELD _____

ADDRESS _____

MONTH OF _____ 19____

REQUIRED TEST _____

SPECIAL TEST _____ (Check One)

(See Instructions on Reverse Side)

Lease	Well No.	Date of Test	Pro- ducing Method	Choke Size	Test Hrs.	Daily Allow. Bbls.	Prod. During Test			GOR Cu. Ft. Per Bbl.
							Water Bbls.	Oil Bbls.	Gas MCF	

(I certify that the information given is true and correct)

DATE _____

BY _____
Company

Title