

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 404
ORDER NO. R-231

THE APPLICATION OF JOHN P. CUSACK
FOR AN ORDER GRANTING PERMISSION
TO RECOVER BACK ALLOWABLE FROM
THE BYERS LEASE IN NE/4 SECTION 3,
TOWNSHIP 19 SOUTH, RANGE 38 EAST:
THE MOON ('A' AND 'B') LEASE, NE/4
SECTION 28, TOWNSHIP 18 SOUTH, RANGE
38 EAST: AND THE TURNER 'B' LEASE,
E/2 SE/4, SECTION 34, TOWNSHIP 18
SOUTH, RANGE 38 EAST, SAID LEASES
BEING IN THE HOBBS POOL, LEA COUNTY,
NEW MEXICO, AND PRESENTLY BEING
OPERATED BY SAMEDAN OIL CORPORATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 16, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of November 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this case and the persons and subject matter thereof.
- (2) That the Commission on the 22nd day of April, 1952, allocated to the 257 wells in the Hobbs Pool, Lea County, New Mexico, a total allowable production of 11,564 barrels of oil per day for the month of May, 1952.
- (3) That during the month of May, 1952, a refinery strike was in effect which affected market demand for crude oil, and certain oil purchasing companies transporting crude oil from the Hobbs Pool imposed "pipe line proration" whereby they took crude oil as ratably as possible from the storage facilities to which they were connected. Among these were the storage facilities of the petitioner.

(4) That there were other crude oil transporting companies, connected to storage facilities in the Hobbs Pool, which were not affected by the refinery strike during the month of May, 1952.

(5) That during the month of May, 1952, the petitioner's ten wells located on:

- (a) the Byers Lease, NE/4 Section 3, Township 19 South, Range 38 East, NMPM,
- (b) The Moon 'A' and 'B' Leases, NE/4 Section 28, Township 18 South, Range 38 East, and
- (c) The Turner 'b' Lease, E/2 SE/4 Section 34, Township 18 South, Range 38 East,

all in the Hobbs Pool, Lea County, New Mexico, and being operated by the Samedan Oil Corporation, underproduced a total of 8414 barrels.

(6) That the granting of "back allowable" to those wells in the Hobbs Pool affected by the refinery strike, when added to the normal allowables presently assigned the wells in the Hobbs Pool, would create excessive withdrawals from the Hobbs Pool reservoir.

(7) That the alternate proposal submitted by the petitioner to cut back allowables for wells in the Hobbs Pool, which, during the May 1952 refinery strike, produced 100 percent of allowables assigned for that month, was not within the call of the hearing.

IT IS THEREFORE ORDERED:

That the amended petition filed herein be and the same hereby is dismissed.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L