

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
UPON THE APPLICATION OF THE OIL
CONSERVATION COMMISSION ON ITS
OWN MOTION FOR AN ORDER AMENDING,
REVISING OR ABROGATING EXISTING
RULES AND REGULATIONS AND/OR PRO-
MULGATING NEW REGULATIONS RELATING
TO GAS POOL DELINEATION, GAS PRORA-
TION, ETC., FOR THE JALCO, LANGMAT,
EUMONT AND ARROW GAS POOLS, LEA
COUNTY, NEW MEXICO.

CASE No. 573

STATEMENT OF HUMBLE OIL & REFINING COMPANY
TO BE FILED AS A PART OF THE RECORD
IN THE ABOVE STYLED CASE

The Humble Oil & Refining Company desires to commend the Commission upon its action in conducting the series of hearings which have been held in connection with the above case and feels that they have had a salutary result in that they have eliminated any shadow of doubt as to the need for gas proration in the Jalco, Langmat, Eumont and Arrow gas pools. The Humble believes that these hearings have shown that the Conservation Commission was fully justified in taking the course which it did with respect to gas proration.

With reference to the action to be taken by the Commission as a result of these hearings, the Humble respectfully submits the following recommendations:

1. Section 13(b) of the Conservation Act as amended by Chapter 76 of the 1953 Session Laws provides that the Commission may establish a proration unit for each pool "such being the area that can be efficiently and economically drained and developed by one well....." The uncontradicted evidence in this case shows that in the Jalco, Langmat, Eumont and Arrow gas pools, one well will effectively, efficiently and economically drain as much as 640 acres. In fact, there has been no evidence introduced in the case which would warrant consideration by the Commission of any size unit other than a 640-acre standard unit. We, therefore, urge the Commission to adopt 640 acres as the standard proration unit for the proration of gas in these pools.

2. We recommend that the Commission retain the present provisions of its orders hereto entered providing for the allocation of gas on the basis of 100% acreage, in the Jalco, Langmat, Eumont and Arrow Gas pools.

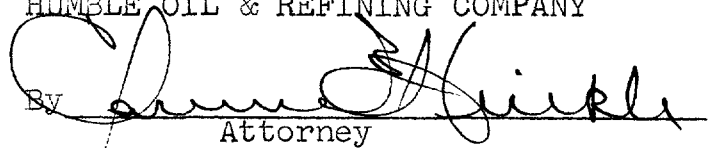
3. Humble recommends that the principle of volumetric withdrawals should be the basis of proration as between oil and gas wells in any designated oil and gas pool.

4. In the interest of conservation and the prevention of further waste, Humble recommends that the orders promulgated in connection with gas proration in the Jalco, Langmat, Eumont and Arrow gas pools provide that no gas shall be flared.

5. In connection with any rules that may be adopted, Humble would urge the Commission to make a continued study to determine whether the relative rate of withdrawals permitted under the rules adopted by the Commission are causing waste, so that appropriate steps may be taken to prevent the same.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By  Attorney