

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-135
(Case No. 2156)

STATEWIDE OIL PROMOTION ORDER FOR FEBRUARY, 1961

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, on January 18, 1961, at 9 o'clock a.m., pursuant to legal notice for the purpose of setting the allowable production of oil within the state of New Mexico for the month of February, 1961, and for the purpose of considering Case No. 2156, which is an application of the Oil Conservation Commission on its own motion to consider authorizing the making up of underproduction incurred in Southeast New Mexico during the month of December, 1960, due to extremely inclement weather in that area.

NOW, on this 20th day of January, 1961, the Commission, a quorum being present, having considered the testimony adduced as to weather conditions during December, 1960, the nominations of purchasers probable market demand, the capacities of producing wells, together with the anticipated newly completed or recompleted wells, and being otherwise fully advised in the premises,

FINDINGS:

(1) That due to the extreme and unusual weather conditions in Southeast New Mexico during December, 1960, which among other things, caused electric power failures of extraordinarily long duration, many leases in said area sustained losses in production, which if not authorized for production at a later date, would result in an extreme violation of correlative rights. Further, that this underproduction should be authorized for production over an 88-day period, 12/28/60 to 2/27, 1961, or approximately 71,484 barrels to be produced during February, 1961, at the rate of approximately 3,353 barrels per day and the balance deferred to a later date. Further, that due to extremely inclement weather in December, 1960, certain leases in San Juan County, New Mexico, sustained losses in production which, if not authorized for production at a later date would result in an extreme violation of correlative rights, and that this underproduction should be authorized for production over an 88-day period, 12/28/60 to 2/27, 1961, or approximately 4,428 barrels to be produced during February, 1961, at the rate of approximately 157 barrels per day, and the balance deferred to a later date.

(2) The reasonable market demand for oil produced in the State of New Mexico during the month of February, 1961, is approximately 164,814 barrels per day, which total includes a demand for approximately 319,906 barrels of oil per day from the counties of Lea, Elby, Chavez, and Roosevelt, and a demand for approximately 31,216 barrels of oil per day from the counties of

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San Juan, McKinley, Rio Arriba, and Sandoval, as well as approximately 2,553 barrels of underproduction in Lea, Eddy, Roosevelt, and Chaves Counties and 157 barrels of underproduction in San Juan County, all such underproduction resulting from extremely severe and unusual weather conditions during December, 1960.

(3) The potential producing capacity of all oil wells in the State is in excess of such reasonable market demand, and in order to prevent waste the production of oil should be limited, allocated, and distributed for the month of February, 1961.

(4) That all the producing oil wells, together with the expected completed or recompleted wells in the State within the proration period, can produce a total of approximately 144,834 barrels per day without causing waste, and an allocation based upon such production would be reasonable and would protect correlative rights.

(5) That the demand for oil from each of the above-described areas is separate and distinct and cannot be reasonably met by the production of oil from the other area, and that the production allowable for each of the said areas should be based upon the demand for oil from that area.

(6) That a total Southeast New Mexico production allowable of 313,459 barrels per day, which includes 5,000 barrels per day supplemental allowable for new production and 2,553 barrels per day of authorized underproduction, can be produced without waste by a distribution and allocation of such production among the oil wells in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, by the establishment of a normal unit allowable for those counties of 35 barrels per unit per day, and by the authorization of underproduction as set forth in Finding No. 1 above.

(7) That a total Northwest production allowable of 51,375 barrels per day, which includes 4,000 barrels per day supplemental allowable for new production and 157 barrels per day of authorized underproduction, can be produced without waste by a distribution and allocation of production among the oil wells in San Juan, McKinley, Rio Arriba, and Sandoval Counties, New Mexico, by the establishment of a normal unit allowable for those counties of 70 barrels per unit per day, and by the authorization of underproduction as set forth in Finding No. 1 above.

IT IS THEREFORE ORDERED:

(1) For the month of February, 1961, a normal unit allowable for production of oil in the allocated pools within Lea, Eddy, Chaves, and Roosevelt Counties, be and the same is hereby set at 35 barrels per unit per day; provided that each well in the Knowles Pool in Lea County, New Mexico, under 80-acre spacing Order No. R-40 (except as amended by Order No. R-52) is allocated 70 barrels

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per 80 acres, with deep-pool adaptation. Provided further that the top unit allowable for the North Mason-Delaware Pool in Lea and Eddy Counties, New Mexico, be and the same is hereby set at 30 barrels per unit per day, in accordance with the provisions of Order No. A-944. Provided further that the top unit allowable for the South Carter-San Andres Pool in Lea County, New Mexico, be and the same is hereby set at 49 barrels per unit per day in accordance with the provisions of Order No. A-1012. The allocation hereby set for said month in the allocated pools of Lea, Eddy, Chavez, and Roosevelt Counties, New Mexico, shall be in accordance with Rules 302, 305, and 306 of the Commission's Rules and Regulations, and subject to and as modified by any valid orders of the Commission relating directly to any well, areas, or pools, and the assignment of allowable thereto.

(2) For the month of February, 1961, 28/89 of 227,224, or approximately 71,484 barrels of supplemental allowable be and the same is hereby authorized for production at the rate of approximately 2,583 barrels per day by certain wells in Lea, Eddy, Roosevelt and Chavez Counties, New Mexico, said supplemental allowable being for the purpose of making up underproduction sustained during December, 1960. Authorization of the remaining 61/89 of the underproduction is ordered deferred until a later date.

(3) A Southeast New Mexico proration schedule duly prepared by the Commission and thereafter adopted for the month of February, 1961, and including a supplemental proration schedule authorizing certain wells to make up underproduction, is hereto attached and made a part hereof. Said proration schedule distributes and allocates the allowable production among the oil wells in Lea, Eddy, Chavez, and Roosevelt Counties, New Mexico, for the period stated. The sale, purchase, or acquisition, or the transporting, refining, processing, or handling in any other way of oil produced in excess thereof is hereby prohibited, and such oil is thereafter contraband.

IT IS FURTHER ORDERED:

1. For the month of February, 1961, a normal unit allowable for production of oil in the allocated pools within San Juan, McKinley, Rio Arriba, and Sandoval Counties, be and the same hereby is set at 70 barrels per unit per day; provided that each well in the Disti-Lower Gallup oil pool in San Juan County, New Mexico, to which has been dedicated 80 acres, is allocated 140 barrels per 80 acres, in accordance with the provisions of Order No. A-1069-B. The allocation hereby set for said month in the allocated pools of San Juan, McKinley, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with Rules 302, 305, and 306 of the Commission's Rules and Regulations, and subject to and as modified by any valid orders of the Commission relating directly to any well, areas, or pools, and the assignment of allowable thereto.

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2. For the month of February, 1961, 28/89 of 14,011, or approximately 4,408 barrels of supplemental allowable be and the same is hereby authorized for production at the rate of approximately 157 barrels per day by certain wells in San Juan County, New Mexico, said supplemental allowable being for the purpose of making up underproduction sustained during December, 1960. Authorization of the remaining 61/89 of the underproduction is ordered deferred until a later date.

3. A northwest New Mexico proration schedule duly prepared by the Commission and thereafter adopted for the month of February, 1961, and including a supplemental proration schedule authorizing certain wells to make up underproduction, is hereto attached and made a part hereof. Said proration schedule distributes and allocates the allowable production among the oil wells in San Juan, McKinley, Rio Arriba, and Sandoval Counties, New Mexico, for the period stated. The sale, purchase, or acquisition, or the transporting, refining, processing, or handling in any other way of oil produced in excess thereof is hereby prohibited and such oil is thereafter contraband.

The foregoing order shall remain effective until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. RECHER, Chairman

H. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

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