

Case No.

372

Application, Transcript,
Small Exhibits, Etc.

CASE 372: NOMENCLATURE, NORTHWESTERN NEW
MEXICO (SAN JUAN AND RIO ARriba
COUNTIES)

Case 372

RECOMMENDATIONS FOR POOL EXTENSIONS FOR
MONTH OF MAY, 1952, SAN JUAN BASIN

Blanco-Mesaverde

Township 31 North, Range 11 West, Sections 1, and 12 All.

The following wells are listed as evidence for the above extension of this pool.

Southern Union #1 Childers
890/B., 1650 ft. W. 1-31N-11W
I.P. 4,600 MCF 6 hour test.

Debie Canyon Pictured Cliffs

Township 26 North, Range 6 West, Section 13, S/2; Section 14, SE/4; Section 23,
E/2; Section 24, All; Section 25, N/2. Sec. 17, SW/4, Sec. 18, SE/4, Sec. 19 All,
E/2, 20 W/2.

The following wells are listed as evidence for the above extension of this pool:

Delhi, Oil Corp. #1 Reames.
SE 24-26N-6W
I.P. 4,550 MCF/da 3 hour test

Delhi Oil Corp. #1 Ora E. Reames.
SW/4 19-26N-6W
I.P. 734 MCF/da 3 hour test.

Astes Pictured Cliffs

Township 29 North, Range 10 West, Section 17, SW/4; Section 18, S/2; Section 19,
All; section 20, W/2.

The following wells are listed as evidence for the above extension of this pool;

Francis L. Harvey #1, Bunce Federal
NE 19-29-10W
I.P. 987 MCF 3 hour test.

Pettigrew-Tecito-Oil

Township 26N-R 6 W, Sec. 3, SW/4, Sec. 4, SE/4

The following wells are listed as evidence for the above extension of this pool.

Lowery et al - 7-35-109
SW/4 3-26N-6W
I.P. 135 Bbls./da.
Completed 5/2/52

SOUTH BLANCO-PICTURED CLIFFS

T. 27N-7W
Sec. 19, SW/4,
Sec. 30, W/2
Sec. 31 N/2

T. 27N-8W
Sec. 23, S/2
Sec. 24, S/2
Sec. 25, All
Sec. 26, All
Sec. 35, W/2
Sec. 36, W/2, SE/4

The following wells are listed as evidence for the above extension of this pool.

Great Lakes - Hammond #3
NW/4 Sec. 35, 27N-8W
200MCF. I.P./da- 3 hour test.

Great Lakes - Hammond #1
NE Sec. 26-27N-8W
I.P. 73MCF./da

Great Lakes - Hammond #5
NE/4 Sec. 25-27N-8W
I.P. 1,200MCF./da.-3 hour test.

INTER-OFFICE TRANSMITTAL SLIP

TO.....

FROM.....

- ☐ For Approval
- ☐ For Signature
- ☐ Note and Advise
- ☐ Note and Return
- ☐ For Your Files
- ☐ For Your Handling

Remarks: -

Copy to Emory Arnold
6-20-

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. 372
ORDER NO. R-166

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER FOR THE EXTENSION OF EXISTING
POOLS, CONSOLIDATION OF EXISTING POOLS,
OR THE CREATION OF NEW POOLS IN SAN JUAN
AND RIO ARriba COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. May 20, 1952,
at Santa Fe, New Mexico, before the Oil Conservation Commission of
New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of June 1952, the Commission, a quorum
being present, having considered the testimony adduced and the exhibits
received at said hearing, 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 cause and the subject matter thereof.

(2) That the Dogie Canyon-Pictured Cliffs Pool, Rio Arriba
County, New Mexico, as heretofore classified, defined and described,
should be extended to include:

Township 26 North, Range 6 West, NMPM
S/2 Section 13; SE/4 Section 14;
E/2 Section 23; all Section 24;
N/2 Section 25; SW/4 Section 17;
SE/4 Section 18; all Section 19;
W/2 Section 20

(3) That the Aztec-Pictured Cliffs Pool, San Juan County, New
Mexico, as heretofore classified, defined and described, should be
extended to include:

Township 29 North, Range 10 West, NMPM
SW/4 Section 17; S/2 Section 18;
all of Section 19; W/2 Section 20

(4) That the Pettigrew-Tocito Pool, Rio Arriba County, New
Mexico, as heretofore classified, defined and described, should be
extended to include:

Township 26 North, Range 6 West, NMPM
SW/4 Section 3; SE/4 Section 4

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(5) That the Blanco-Mesaverde Pool, San Juan County, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 31 North, Range 11 West, NMPM
All of Sections 1 and 12

(6) That the South Blanco-Pictured Cliffs Pool, San Juan and Rio Arriba Counties, New Mexico, as heretofore classified, defined and described, should be extended to include:

Township 27 North, Range 7 West, NMPM
SW/4 Section 19; W/2 Section 30;
N/2 Section 31

Township 27 North, Range 8 West, NMPM
S/2 Section 23; S/2 Section 24; all
Sections 25 and 26; N/2 Section 35;
N/2, SE/4 of Section 36

IT IS THEREFORE ORDERED:

That the application of the Oil Conservation Commission be, and the same hereby is approved, as follows:

(1) That the boundaries of the Dogie Canyon-Pictured Cliffs Pool, Rio Arriba County, New Mexico, be, and the same hereby are extended to include:

Township 26 North, Range 6 West, NMPM
S/2 Section 13; SE/4 Section 14;
SW/4 Section 17; SE/4 Section 18;
all of Section 19; W/2 Section 20;
E/2 Section 23; all Section 24;
N/2 Section 25

(2) That the boundaries of the Aztec-Pictured Cliffs Pool, San Juan County, New Mexico, be, and the same hereby are extended to include:

Township 29 North, Range 10 West, NMPM
SW/4 Section 17; S/2 Section 18; all
Section 19; W/2 Section 20

(3) That the boundaries of the Pettigrew-Tocito Pool, Rio Arriba County, New Mexico, be, and the same hereby are extended to include:

Township 26 North, Range 6 West, NMPM
SW/4 Section 3; SE/4 Section 4

(4) That the boundaries of the Blanco-Mesaverde Pool, San Juan County, New Mexico, be, and the same hereby are extended to include:

Township 31 North, Range 11 West, NMPM
All of Sections 1 and 12

Case No. 372
Order No. R-166

(5) That the boundaries of the South Blanco-Pictured Cliffs Pool, San Juan and Rio Arriba Counties, New Mexico, be, and the same hereby are extended to include:

Township 27 North, Range 7 West, NMPM
SW/4 Section 19; W/2 Section 30; N/2
Section 31

Township 27 North, Range 8 West, NMPM
S/2 Section 23; S/2 Section 24;
all Sections 25 and 26; N/2 Section 35;
N/2, SE/4 Section 36

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

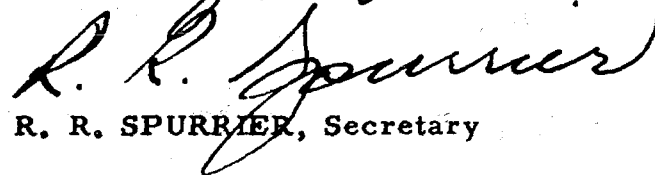
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



GUY SHEPARD, Member



R. R. SPURRIER, Secretary

SEAL

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

Case No. 372

Regular Hearing
May 20, 1952

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
MAY 28 1952

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG
PHONES 7-9645 AND 5-2546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

May 20, 1952

In the Matter of:

Nomenclature case concerned with
extensions of pools in San Juan and
Rio Arriba Counties, New Mexico, as
follows:

Case No. 372

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- (a) Extend the Dogie Canyon-Pictured Cliffs Pool to include S/2 Sec. 13, SE/4 Sec. 14, E/2 Sec. 23, all Sec. 24, N/2 Sec. 25, SW/4 Sec. 17, SE/4 Sec. 18, all Sec. 19, W/2 Sec. 20, in Twp. 26 N, Rge. 6 W, Rio Arriba County.
 - (b) Extend Aztec-Pictured Cliffs Pool to include SW/4 Sec. 17, S/2 Sec. 18, all Sec. 19, W/2 Sec. 20, Twp. 29 N, Rge. 10 W, San Juan County.
 - (c) Extend the Pettigrew-Tocito Pool to include SW/4 Sec. 3, SE/4 Sec. 4, Twp. 26 N, Rge. 6 W, Rio Arriba County.
 - (d) Extend the Blanco-Mesaverde Pool to include all Secs. 1 and 12, Twp. 31 N, Rge. 11 W. San Juan County.
 - (e) Extend the South Blanco-Pictured Cliffs Pool to include SW/4 Section 19, W/2 Sec. 30, N/2 Sec. 31, Twp. 27 N, Rge. 7 W, Rio Arriba County; and also S/2 Sec. 23, S/2 Sec. 24, all Secs. 25 and 26, N/2 Sec. 35, N/2 and SE/4 Sec. 36, Twp. 27 N, Rge. 8 W, San Juan County.
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(Notice of Publication read by Mr. Graham.)

E L V I S A . U T Z,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WHITE:

Q Mr. Utz, will you state your full name and position for the record?

A Elvis A. Utz, Engineer, Oil Conservation Commission.

Q Have you, in your capacity as engineer for the Oil Conservation Commission, had occasion to make a study of the proposed extensions in Case No. 372, being sub-section (a) through (e)?

A Yes, I have.

Q Will you report your findings, together with your conclusions and recommendations?

A I will.

MR. WHITE: Could we pass the case up for the time being and take it up later in the afternoon?

MR. SPURRIER: Yes, sir. We will recess this case for a little while, and in the meantime take up Case No. 373.

(Witness excused.)

MR. WHITE: Mr. Utz, will you continue and give the reporter your studies, your conclusions and recommendations.

A Under sub-section (a), Dogie Canyon-Pictured Cliffs Pool, Township 26 North, Range 6 West; Section 13, south half; Section 14, southeast quarter; Section 23, east half; Section 24,

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

all; Section 25, north half; Section 17, southwest quarter; Section 18, southeast quarter; Section 19, all; and Section 20, the west half. I recommend this extension on the basis of the following two wells, Delhi Oil Corporation No. 1 recommends, southeast quarter Section 24, north 6 west initial potential of 4,000,550 MCF per day on three-hour test.

Second well, the Delhi Corporation --

MR. SPURRIER: (Interrupting) Mr. Utz, when your recommendation coincides with the advertisement, let's cut the description, in the interest of time.

A You want me to give my basis for that extension?

MR. SPURRIER: Not if you recommend it.

A Well, then, all that will be necessary, I will just recommend as advertised.

MR. SPURRIER: All of them?

A All of them.

MR. MACEY: No changes whatsoever?

A No changes whatsoever.

MR. SPURRIER: Any objection to the recommendations, any exceptions?

MR. MACEY: Do you have any exhibits?

A No, I didn't make any plats.

Q Is each proposed extension within the same reservoir formation?

A Yes, it is.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9648 AND 5-9846
ALBUQUERQUE, NEW MEXICO

MR. WHITE: That is all we have.

MR. SPURRIER: Anything further in this case? If not,
the case will be taken under advisement and we are adjourned.

(Witness excused.)

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript
of hearing in Case No. 372 before the Oil Conservation Commission,
state of New Mexico, at Santa Fe, on May 20, 1952, is a true
and correct record of the same to the best of my knowledge, skill
and ability.

DATED at Albuquerque, New Mexico, this _____ day of May,
1952.

REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 8-9546
ALBUQUERQUE, NEW MEXICO

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. 586
Order No. R-372-A

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION FOR ALL
OPERATORS AND INTERESTED PARTIES IN THE
BLINEBRY GAS POOL TO SHOW CAUSE WHY THE
RULES AND REGULATIONS AS SET OUT IN ORDER
R-356, WITH ANY ESSENTIAL AMENDMENTS,
SHOULD NOT BE PUT INTO EFFECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a. m., on October 28, 1953,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 10th day of November, 1953, the Commission, a quorum
being present, having considered the testimony adduced, the exhibits received, the
statements of interested parties, the official records of this Commission and other
pertinent data, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given, the Commission has jurisdiction
of this cause.

(2) That the Commission, for the purpose of preventing waste and drainage,
and for the protection of correlative rights, entered Order R-356, establishing certain
general or "stand-by" rules and regulations relating to the proration of gas well gas,
proration units, well spacing, and other related matters in the gas pools of Eddy, Lea,
Chaves and Roosevelt Counties, New Mexico, applicable in all cases only after special
rules for each gas pool shall have been promulgated.

(3) That thereafter, after due notice and hearing, Order R-372 was duly
entered by the Commission. Order R-372 adopted the general or "stand-by" rules
promulgated by Order R-356 as the Special Rules and Regulations of the Blinebry
Gas Pool, heretofore established. R-372 was entered pending a further order in the
premises, said order to be entered only after all interested parties were afforded the
opportunity to be heard in the matter.

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Order No. R-372-A

(4) That as a result of such hearing and in consideration of the testimony adduced Special Pool rules should be promulgated for the Blinebry Gas Pool, heretofore established, described and classified as a gas pool. That the Special pool rules should approximate the general rules and regulations promulgated by Order R-356 insofar as the same are applicable to the Blinebry Gas Pool, and should conform, generally with the provisional special rules of Order R-372.

(5) That in order for the Commission to evaluate and delineate the actual productive limits of the Blinebry Gas Pool all operators of gas wells within the defined limits of the Blinebry Gas Pool should supply certain Geological and Reservoir data to the Commission.

(6) That pending further study and orders, the allocation of gas in the Blinebry Gas Pool should be calculated on the basis of 100 per cent acreage, based upon the standard 160 acre proration unit, which unit is limited to a regular quarter section subdivision of the U. S. Public Land Surveys and consisting of not less than 158 nor more than 162 acres, substantially in the form of a square, with provision for deviation therefrom particularly in cases of wells heretofore completed where the impracticability of unitization is apparent.

(7) That an adequate gas well testing procedure should be adopted as soon as possible so that operators, purchasers and the Commission can determine the fairness and feasibility of an allocation factor for the pool which employs the factors of deliverability, pressure, or any other factor relating to gas well productivity.

IT IS THEREFORE ORDERED:

That Special Pool Rules applicable to the Blinebry Gas Pool, be and the same hereby are promulgated and are as follows:

SPECIAL RULES AND REGULATIONS
FOR THE BLINEBRY GAS POOL
LEA COUNTY, NEW MEXICO

WELL SPACING AND ACREAGE REQUIREMENTS FOR DRILLING TRACTS.

RULE 1. Any well drilled a distance of one mile or more from the outer boundary of the Blinebry Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile from the outer boundary of the Blinebry Gas Pool shall be spaced, drilled, operated and prorated in accordance with the Regulations in effect in the Blinebry Gas Pool.

RULE 2. Each well drilled or recompleted within the Blinebry Gas Pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

RULE 3. Each well drilled within the Blinebry Gas Pool shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to a quarter-quarter section or subdivision inner boundary nor closer than 1320 feet

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Order No. R-372-A

to a well drilling to or capable of producing from the same pool.

RULE 4. The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 3 without Notice and Hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 1320 foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all operators within such radius have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection of any offset operator. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

RULE 5. The provision of Statewide Rule 104 Paragraph (k), shall not apply to the Blinebry Gas Pool located in Lea County, New Mexico.

GAS PRORATION

RULE 6. The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Blinebry Gas Pool and other relevant data and shall fix the allowable production of the Blinebry Gas Pool, and shall allocate production among the gas wells in the Blinebry Gas Pool upon a reasonable basis with due regard to correlative rights.

PRORATION UNITS

RULE 7. (a) For the purpose of gas allocation in the Blinebry Gas Pool, a standard proration unit shall consist of between 158 and 162 contiguous surface acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys; provided, however, that a gas proration unit other than a legal quarter section may be formed after notice and hearing by the Commission, or as outlined in Paragraph (b). Any allocation unit containing less than 158 acres or more than 162 acres shall be a non-standard unit and its allowable shall be decreased or increased to that proportion of the standard unit allowable that the number of acres contained therein bears to 160 acres. Any standard proration unit consisting of between 158 and 162 contiguous surface acres shall be considered as containing 160 acres for the purpose of gas allocation.

(b) The Secretary of the Commission shall have authority to grant an exception to Rule 7 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with;

1. The non-standard unit consists of less acreage than a standard proration unit.

2. The acreage assigned to the non-standard unit lies wholly within a legal quarter section and contains a well capable of producing gas into a gas transportation facility on the date of this order.

3. The operator receives written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

GAS ALLOCATION

RULE 8. At least 30 days prior to the beginning of each gas proration period the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Blinebry Gas Pool. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 9. Each month, the Commission shall cause to be submitted by each gas purchaser its "Supplemental Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration month from the Blinebry Gas Pool. The Commission shall hold a public hearing between the 15th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month. Included in the monthly proration schedule shall be a tabulation of allowable and production for the second preceding month together with an adjusted allowable computation for the second preceding month. Said adjusted allowable shall be computed by comparing the actual allowable assigned with the actual production. In the event the allowable assigned is greater than the actual production, the allowables assigned the top allowable units shall be reduced proportionately, and in the event the allowable assigned is less than the production then the allowables assigned the top allowable units shall be increased proportionately. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Blinebry Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Blinebry Gas Pool any 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. The total allowable to be allocated to the pool each month shall be equal to the sum of the supplemental nominations together with any adjustment which the Commission deems advisable. The allocation to a pool remaining after subtracting the capacities of marginal units shall be divided and allocated ratably among the non-marginal units in the proportion that the acreage contained in each unit bears to the total acreage allotted to such non-marginal units.

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BALANCING OF PRODUCTION

RULE 10. Underproduction: The dates 7:00 A.M., January 1 and 7:00 A.M. July 1, shall be known as balancing dates and the periods of time bounded by these dates shall be known as gas proration periods. The amount of current gas allowable remaining unproduced at the end of each proration period shall be carried forward to and may be produced during the next succeeding proration period in addition to the normal gas allowable for such succeeding period; but whatever amount thereof is not made up within the first succeeding proration period shall be canceled. If, at the end of the first succeeding proration period, a greater amount of allowable remains unproduced than was carried forward as underproduction, the amount carried forward to the second succeeding period shall be the total underproduction less the amount carried forward to the first succeeding period.

If it appears that such continued underproduction has resulted from inability of the well to produce its allowable, it may be classified as a marginal well and its allowable reduced to the well's ability to produce.

RULE 11. Overproduction: A well which has produced a greater amount of gas than was allowed during a given proration period shall have its allowable for the first succeeding proration period reduced by the amount of such overproduction and such overproduction shall be made up within the first succeeding proration period. If, at the end of the first succeeding proration period, the well is still overproduced, it shall be shut in and its current monthly allowable charged against said overproduction until the well is in balance. If, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut in until it is in balance.

The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut in upon a showing at public hearing after due notice that complete shut in of the well would result in material damage to the well.

GRANTING OF ALLOWABLES

RULE 12. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease.

RULE 13. Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and Form C-110 and the plat described above, whichever date is the later.

REPORTING OF PRODUCTION

RULE 14. The monthly gas production from each gas well shall be metered separately and the gas production therefrom shall be submitted to the Commission

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on Form C-115 so as to reach the Commission on or before the twentieth day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced. The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however that gas used on the lease for consumption in lease houses, treaters, combustion engines and other similar lease equipment shall not be charged against the well's allowable.

DEFINITIONS

RULE 15. A gas well shall mean a well producing gas or natural gas from a common source of gas supply from a gas pool determined by the Commission.

RULE 16. The term "gas purchaser" as used in these rules, shall mean any "taker" of gas either at the wellhead or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination.

PROVIDED FURTHER that those wells located within the defined limits of the Blinebry Gas Pool which produce oil and receive an oil allowable on the oil proration schedule shall be prorated as oil wells pending further study and that "preliminary" and "supplemental" nominations, as outlined in Rules 8 and 9 above, shall pertain only to gas wells which are not assigned an oil allowable.

PROVIDED FURTHER that all operators of oil or gas wells shall submit to the Hobbs office of this Commission (Box 2045) on or before January 1, 1954 a copy of either an electric log or sample log of each well (if available), whether oil or gas, that they operate within the defined limits of the Blinebry Gas Pool. Attached to each log shall be a detailed report showing well elevation, total depth, plug back depth, depth of production string, interval of perforations and open hole and estimation of formation tops as indicated by the log. Any operator of any well hereafter completed or recompleted within the defined limits of the Blinebry Gas Pool shall also submit to the Hobbs office of the Commission, the logs and information detailed above, within 30 days following such completion or recompletion.

In the event that the Commission deems it advisable to obtain additional information from wells producing outside the defined limits of the Blinebry Gas Pool the Secretary of the Commission is hereby authorized to issue a directive to operators in order to obtain the desired information.

PROVIDED FURTHER that as soon as possible a testing procedure for all gas wells shall be adopted by the Commission. Said procedure shall contain adequate tests in order to determine the feasibility of employing any well potential, deliverability or pressure factors in allocating gas.

PROVIDED FURTHER that those operators who desire approval of the Commission of gas-oil dual completions under the provisions of Statewide Rule 112-A should also comply with the provisions of Rules 2, 3 and 4 of this order before approval will be granted.

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PROVIDED FURTHER that in order to inaugurate gas prorationing and allocation in the Blinebry Gas Pool on January 1, 1954 the Commission shall consider the nominations of purchasers for the proration period beginning January 1, 1954 at the regular hearing of the Commission on November 19, 1953 and shall require each purchaser of gas from the Blinebry Gas Pool to submit with each "supplemental" nomination a list of the wells and their location from which gas is to be purchased commencing January 1, 1954. In this instance the list of wells shall pertain solely to those wells which are gas wells and are not on the proration schedule.

PROVIDED FURTHER that in the event an operator has a producing well on acreage which does not conform to the provisions of Rule 2 or Rule 7 and an exception to Rule 7 is to be requested of this Commission, the necessary information requested under Rule 12 should be complied with pending Commission action. In this instance the Proration Manager is directed to assign to the well only that acreage attributable to the well lying within the quarter section upon which the well is located. In the event the unorthodox unit is approved after notice and hearing and an increase in total acreage is permitted then the total allowable assigned the well shall be adjusted and made retroactive to the 1st day of the proration period or the 1st day the well produced into a gas transportation facility if the well was not productive prior to January 1, 1954.

PROVIDED FURTHER that copies of Form C-115, Monthly Production Report, submitted in compliance with Rule 14 shall be distributed by the operator as follows: Original to Oil Conservation Commission, Box 871, Santa Fe; two copies to Oil Conservation Commission, Box 2045, Hobbs, New Mexico.

IT IS FURTHER ORDERED that nothing in this order, or Order No. R-372, heretofore issued by the Commission, shall be construed as re-classifying any well, now prorated on the oil proration schedule, as a gas well, and any such reclassification hereafter made shall only be made after due notice and hearing.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L