

*Entered May 18, 1966
A.D.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-199

STATEWIDE OIL PRORATION ORDER FOR JUNE, 1966

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, on May 18, 1966, at 9 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 June, 1966.

NOW, on this 18th day of May, 1966, the Commission, a quorum being present, having considered the testimony adduced as to probable market demand, the nominations of purchasers, the capacities of producing wells, together with the anticipated newly completed or recompleted wells, and being otherwise fully advised in the premises,

FINDS:

(1) That the reasonable market demand for oil produced in the State of New Mexico during the month of June, 1966, is approximately 420,811 barrels per day, which total includes a demand for approximately 392,224 barrels of oil per day from the counties of Lea, Eddy, Chaves, and Roosevelt, and a demand for approximately 28,587 barrels of oil per day from the counties of San Juan, McKinley, Rio Arriba, and Sandoval.

(2) That 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 June, 1966.

(3) 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 420,811 barrels per day without causing waste, and an allocation based upon such production would be reasonable and would protect correlative rights.

(4) 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.

(5) That a total Southeast New Mexico production allowable of 392,224 barrels per day, which includes 5000 barrels per day supplemental allowable for new production and 50 barrels per day of back allowable, can be produced without waste by a distribution and allocation of such production among the oil wells in Lea, Eddy, Chaves, and Roosevelt Counties, by the establishment of a normal unit allowable for those counties of 45 barrels per unit per day.

(6) That a total Northwest New Mexico production allowable of 28,587 barrels per day, which includes 50 barrels per day supplemental allowable for new production, can be produced without waste by a

distribution and allocation of such 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.

(7) That application for back allowable totalling approximately 3112 barrels has been received by the Commission from Phillips Petroleum Company, an operator in the Lusk-Strawn Pool, Eddy County, New Mexico, as the result of underproduction incurred as the result of the inability of Texas-New Mexico Pipe Line Company to run oil during severe cold weather and while pipe line repairs were in progress during January, 1966. That of said 3112 barrels of applied for back allowable, 50% or approximately 1556 barrels was authorized for production during May, 1966, and authorization for the remaining 50% deferred until a later date. That the remaining 50% of 3112 barrels of underproduction or approximately 1556 barrels should be authorized for production during June, 1966.

IT IS THEREFORE ORDERED:

(1) For the month of June, 1966, a normal unit allowable for production of oil in the allocated pools within Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, is hereby set at 45 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 90 barrels 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, is hereby set at 34 barrels per unit per day, in accordance with the provisions of Order No. R-944. Provided further that the top unit allowable for the South Carter-San Andres Pool in Lea County, New Mexico, is hereby set at 45 barrels per unit per day in accordance with the provisions of Order No. R-1012. The allocation hereby set for said month in the allocated pools of Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, shall be in accordance with Rules 502, 505, and 506 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) A Southeast New Mexico proration schedule duly prepared by the Commission and thereafter adopted for the month of June, 1966, is hereto attached and made a part hereof. Said proration schedule distributes and allocates the allowable production among the oil wells in Lea, Eddy, Chaves, 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.

(3) For the month of June, 1966, 50% of 3112 or approximately 1556 barrels of supplemental allowable is hereby authorized for production at the rate of approximately 50 barrels per day by certain wells in the Lusk-Strawn Pool, Eddy County, New Mexico. The oil wells listed in this supplemental proration schedule are those top

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allowable wells which incurred underproduction as the result of purchaser prorationing by Texas-New Mexico Pipe Line Company during January, 1966.

IT IS FURTHER ORDERED:

(1) For the month of June, 1966, a normal unit allowable for production of oil in the allocated pools within San Juan, McKinley, Rio Arriba, and Sandoval Counties, New Mexico, is hereby set at 70 barrels per unit per day; provided that each well in the Bisti-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. R-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 502, 505, and 506 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.

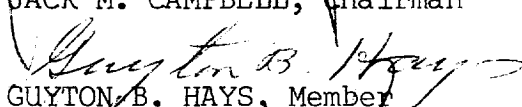
(2) A Northwest New Mexico proration schedule duly prepared by the Commission and thereafter adopted for the month of June, 1966, is hereto attached and made a part hereof. Said proration schedule distributes and allocates the allowable production among the oil wells in San Juan, McKinley, Rio Arriba, 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


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

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