

Entered July 17, 1969
R.F.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-237

STATEWIDE OIL PRORATION ORDER FOR AUGUST, 1969

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, on July 16, 1969, 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 August, 1969.

NOW, on this 17th day of July, 1969, 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 August, 1969, is approximately 447,806 barrels per day, which total includes a demand for approximately 423,958 barrels of oil per day from the counties of Lea, Eddy, Chaves, and Roosevelt, and a demand for approximately 23,848 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 August, 1969.
- (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 447,806 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 423,958 barrels per day, which includes 7500 barrels per day

supplemental allowable for new production and 102 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 62 barrels per unit per day.

(6) That a total Northwest New Mexico production allowable of 23,848 barrels per day, which includes 250 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 applications for back allowable totalling approximately 9,488 barrels were received from Eugene E. Nearburg, an operator in the East Bluitt-San Andres Pool, Roosevelt County, New Mexico, from Delaware-Apache Corporation, an operator in the Middle Allison-Pennsylvanian Pool, Lea County, New Mexico, and from Sun Oil Company, an operator in the Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, as the result of underproduction incurred as the result of inclement weather during March, 1969. That of said 9,488 barrels of applied for back allowable, 66 2/3% or 6,326 barrels were authorized for production during June and July and the remaining 3,162 barrels were deferred until a later date. That the remaining 33 1/3% or 3,162 barrels should be authorized for production during July, 1969.

IT IS THEREFORE ORDERED:

(1) For the month of August, 1969, 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 62 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 124 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 51 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 44 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 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 August, 1969, 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 August, 1969, approximately 3,162 barrels of supplemental allowable is hereby authorized at the rate of 102 barrels per day by certain wells operated by Eugene E. Nearburg in the East Bluitt-San Andres Pool, Roosevelt County, New Mexico, by Delaware-Apache Corporation in the Middle Allison-Pennsylvanian Pool, Lea County, New Mexico, and by Sun Oil Company in the Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico. The oil wells listed in this supplemental schedule are those top allowable wells which incurred underproduction during March, 1969, as a result of purchaser prorationing by Western Oil Transportation Company, Incorporated, The Permian Corporation, and Service Pipe Line Company.

(4) For the month of August, 1969, 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 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.

(5) A Northwest New Mexico proration schedule duly prepared by the Commission and thereafter adopted for the month of August, 1969, 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

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handling in any other way of oil produced in excess thereof is hereby prohibited and such oil is thereafter contraband.

(6) For the month of August, 1969, the basic 40-acre Area Allowable Factors for waterfloods in Southeast New Mexico and Northwest New Mexico shall be 62 and 70, respectively, in accordance with Rule 701 E 4 of the Commission Rules and Regulations as revised by Commission Order No. R-3092.

IT IS FURTHER ORDERED:

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


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

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