

Entered August 18, 1972
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-261

STATEWIDE OIL PRORATION ORDER

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, at 9 o'clock a.m., August 16, 1972, for the purpose of determining market demand for the production of oil within the State of New Mexico commencing September 1, 1972.

NOW, on this 18th day of August, 1972, 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 the normal productivity decline of existing wells, and being fully advised in the premises,

FINDS:

(1) That the reasonable market demand for crude petroleum oil produced from the Counties of Lea, Eddy, Chaves, and Roosevelt exceeds the ability of the oil wells in the said counties to produce without causing underground waste.

(2) That the reasonable market demand for crude petroleum oil produced from the Counties of San Juan, Rio Arriba, McKinley, and Sandoval exceeds the ability of the wells in the said counties to produce without causing underground waste.

(3) That in order to prevent waste and protect the correlative rights of mineral owners, and to more nearly meet the reasonable market demand for crude petroleum oil from the State of New Mexico, a market demand percentage factor of 100 percent should be established for the oil wells in this state.

IT IS THEREFORE ORDERED:

(1) That effective September 1, 1972, and until further order of the Commission, a market demand percentage factor of 100 percent is hereby established for the oil wells in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, and the top unit allowable for each oil pool in said counties shall be 100 percent of the depth bracket allowable applicable to said pool. Provided however, pursuant to previous orders of the Commission, the top unit allowable for certain pools situate on the New Mexico-Texas state line is hereby set as follows:

Bronco-Wolfcamp Pool, 125 barrels per unit per day;
Dollarhide Tubb-Drinkard Pool, 91 barrels per unit per day; Dollarhide-Devonian Pool, 100 barrels per unit per day; North Mason-Delaware Pool, 93 barrels per unit per day; Scarborough Yates-Seven Rivers Pool, 128 barrels per unit per day; and South Carter-San Andres Pool, 44 barrels per unit per day.

(2) That effective September 1, 1972, and until further order of the Commission, a market demand percentage factor of 100 percent is hereby established for oil wells in San Juan, Rio Arriba, McKinley, and Sandoval Counties, and the top unit allowable for each oil pool in said counties shall be 100 percent of the depth bracket allowable applicable to said pool.

(3) The allocation of production to oil wells in Lea, Eddy, Chaves, Roosevelt, San Juan, Rio Arriba, McKinley, and Sandoval Counties shall be in accordance with the provisions of Rules 502, 503, 504, 505, 506, 509, and such other rules of the Commission as may be applicable, and subject to and as modified by any valid order of the Commission relating directly to any well, area, or pool, and the assignment of allowable thereto.

(4) An oil proration schedule, duly prepared by the Commission and thereafter adopted, and divided into three volumes, one each for Oil Conservation Commission Districts I, II, and III and so designated, is attached hereto and made a part hereof. Said proration schedule distributes and allocates the allowable production based upon a 100 percent market demand percentage factor among the oil pools and oil wells within the State of New Mexico for the period from September 1, 1972, through December 31, 1972. Also, prior to December 31, 1972, and each four months thereafter for so long as this order shall remain in effect, the Commission shall prepare and adopt a similar 4-month proration schedule based upon a 100 percent market demand percentage factor. Each of such subsequent proration schedules shall supersede all preceding proration schedules and shall also be attached hereto and made a part hereof.

(5) In addition to the aforementioned proration schedules, the Commission shall prepare and adopt such supplements to the proration schedule currently in effect as may be necessary to provide for the assignment of back allowable to wells qualifying for same under the provisions of Commission Rule 503(h), changes in allowables assigned to existing wells, the assignment of allowables to newly completed wells, and for such other purposes as may be provided for by the Rules and Regulations or by order of the Commission.

(6) The allowable assigned to any well by a proration schedule, or a supplement thereto, supervening a previous and different allowable shall automatically supersede said previously assigned allowable.

(7) Allowables for wells in water flood projects shall be determined in accordance with the provisions of Rule 701-E of the Commission Rules and Regulations.

(8) The sale, purchase, or acquisition, or the transporting, refining, processing, or handling in any other way of oil produced in excess of the allowables established pursuant to the provisions of Orders Nos. (4), (5), (6), and (7) above is hereby prohibited, and such oil is thereafter contraband.

IT IS FURTHER ORDERED:

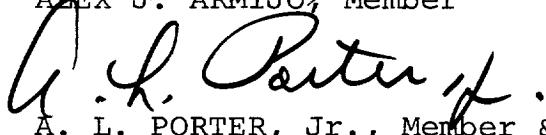
The foregoing order shall remain effective until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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