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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-79

STATEWIDE OIL PRORATION ORDER FOR JUNE 1956

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, on May 16, 1956, 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, 1956, and now on this day 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. The reasonable market demand for oil produced in the State of New Mexico for the month of June, 1956, is 277,618 barrels per day, which total includes 10,000 barrels as supplemental allowable for new production during the proration period.
2. 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, 1956.
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 277,618 barrels per day without causing waste, and an allocation based upon such production would be reasonable and protect correlative rights.
4. Of the total production of oil for the month of June, 1956, approximately 3313 barrels per day can and will be produced from the oil pools in San Juan, Rio Arriba, McKinley and Sandoval Counties.
5. That the balance of the total oil production for the state in June, 1956 in the amount of 274,305 barrels per day can be produced without waste by a distribution and allocation for such production among the oil wells in Lea, Eddy and Chaves Counties, New Mexico, by the establishment of a normal unit allowable of 38 barrels per unit per day.

IT IS THEREFORE ORDERED:

1. For the month of June, 1956, a normal unit allowable for production of oil in the allocated pools within Lea, Eddy, and Chaves Counties, be, and the same hereby is set at 38 barrels per unit per day; provided that each well in the Knowles Pool in Lea County, New Mexico under 80-acre spacing Order R-40 (except as amended by Order R-52) is allocated 76 barrels per 80 acres, with deep-pool adaptation. The allocation hereby set for said month in the allocated pools of Lea, Eddy, and Chaves 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

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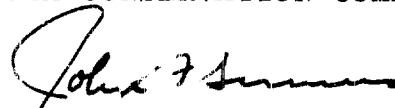
by any valid orders of the Commission relating directly to any well, areas or pools and the assignment of allowable thereto.

2. A proration schedule, duly prepared by the Commission and thereafter adopted, for the month of June, 1956, is hereto attached and made a part hereof, it distributes and allocates the allowable production among the oil wells in Lea, Eddy and Chaves 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, this 22nd day of May, 1956

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman


E. S. WALKER, Member
A. L. PORTER, Jr., Member & Secretary

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