

*Sanford - December 8, 1957*

*A.L.P.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. A-97

STATEWIDE OIL PRORATION ORDER FOR DECEMBER, 1957

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico, on November 14, 1957, 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 December, 1957, 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 during the month of December, 1957, is approximately 309,057 barrels per day, which total includes a demand for approximately 298,697 barrels of oil per day from the counties of Lea, Eddy, Chaves, and Roosevelt and a demand for approximately 10,355 barrels of oil per day from the counties of San Juan, McKinley, Rio Arriba and Sandoval.

(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 December, 1957.

(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 309,057 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 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 298,697 barrels per day, which includes 10,000 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 Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, by the establishment of a normal unit allowable of 37 barrels per unit per day.

(6) That a total Northwest production allowable of 10,355 barrels per day, which includes 300 barrels per day supplemental allowable for new production, can be produced by limiting the production of each 40-acre unit to 868 barrels during the month of December, 1957; provided however, that each of said units should

be permitted to produce and market 50 percent or 434 barrels in excess of said 868 barrels, or a total of 1302 barrels during the month of December, 1957. Provided, however, that any such production from any 40-acre unit which is in excess of the aforesaid 868 barrels should be deemed by the Commission to be "advance allowable" to be deductible from said unit's allowable at such time as the Commission publishes a Northwest New Mexico Proration Schedule.

IT IS THEREFORE ORDERED:

1. For the month of December, 1957, a normal unit allowable for production of oil in the allocated pools within Lea, Eddy, Chaves, and Roosevelt Counties, be, and the same hereby is set at 37 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 74 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, be and the same is hereby set at 36 barrels per unit per day, in accordance with the provisions of Order R-944. Provided further that the top unit allowable for the South Carter-San Andres Pool in Lea County, New Mexico, be and the same is hereby set at 116 barrels per unit per day, in accordance with the provisions of Order 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 December, 1957, 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.

IT IS FURTHER ORDERED:

That for the month of December, 1957, the production of oil from any 40-acre unit in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico, be and the same is hereby limited to 868 barrels. Provided however, that any such 40-acre unit is hereby authorized to produce and market 50 per cent or 434 barrels in excess of said 868 barrels, or a total of 1302 barrels. Provided, however, that any such production from any 40-acre unit which is in excess of the aforesaid 868 barrels shall be deemed by the Commission to be "advance allowable" and shall be deductible from said unit's allowable at such time as the Commission publishes a Northwest New Mexico Proration Schedule.

-3-

Order No. A-97


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

DONE at Santa Fe, New Mexico, on this 19<sup>th</sup> day of November, 1957.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

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

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