

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 313
ORDER NO. R-160

THE APPLICATION OF THE OIL CONSERVA-
TION COMMISSION UPON ITS OWN MOTION
FOR AN ORDER AMENDING RULE 505, OIL
PRORATION, WITH PARTICULAR REFERENCE
TO PARAGRAPH 2: PROPORTIONAL FACTORS
FOR DEEP WELLS UNDER VARIOUS SPACING
PATTERNS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 10 O'clock
a.m. October 23, 1951, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission."

NOW, on this 12th day of June, the Commission, a quorum being present,
having considered the testimony adduced and the exhibits received at said hearing
and being otherwise fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission
has jurisdiction of this cause and the subject matter thereof.

(2) That heretofore, by virtue of Order No. 850, Rule 505, to which
reference is hereby made, the Commission established 40-acre proportional
factors for oil wells in allocated pools.

(3) That the proportional factors were established as follows:

<u>POOL DEPTH</u> <u>RANGE</u>	<u>PROPORTIONAL</u> <u>FACTOR</u>
0 to 5,000 Feet	1.00
From 5,000 to 6,000 "	1.33
" 6,000 to 7,000 "	1.77
" 7,000 to 8,000 "	2.33
" 8,000 to 9,000 "	3.00
" 9,000 to 10,000 "	3.77
" 10,000 to 11,000 "	4.67
" 11,000 to 12,000 "	5.67
" 12,000 to 13,000 "	6.75

(4) That the proportional factors as established for 40-acres were
computed in order to provide a reasonable return on the additional investment
required to drill a well upon 40 acres to a depth below 5,000 feet.

(5) That in order to protect correlative rights there is a need for the
establishment of 80-acre proportional factors.

IT IS THEREFORE ORDERED:

(1) That order No. 850, Rule 505, Paragraph 2, be and the same hereby
is amended as follows:

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<u>POOL DEPTH RANGE</u>	<u>40 Acre Proportional Factor</u>	<u>80 Acre Proportional Factor</u>
0 to 5,000 Feet	1.00	---
5,000 to 6,000 Feet	1.33	2.33
6,000 to 7,000 "	1.77	2.77
7,000 to 8,000 "	2.33	3.33
8,000 to 9,000 "	3.00	4.00
9,000 to 10,000 "	3.77	4.77
10,000 to 11,000 "	4.67	5.67
11,000 to 12,000 "	5.67	6.67
12,000 to 13,000 "	6.75	7.75

(a) The 40-acre proportional factor shall be applied to pools developed on the normal statewide 40-acre spacing pattern.

(b) The above 80-acre proportional factor shall hereafter be applied to all pools developed on an 80-acre spacing pattern, which the Commission hereafter authorizes as an exception to the normal statewide 40-acre spacing pattern.

PROVIDED FURTHER, That jurisdiction of this case be retained for the purpose of revocation or modification under changing conditions.

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

State of New Mexico
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

SEAL