

Case No.

39

Application, Transcript,
Small Exhibits, Etc.

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

re at \$ 4.02

times, \$

Tax \$

Total . . . \$

Received payment.

State of New Mexico, }
County of State Fe } SS.

Ab-mong an
Editor

Subscribed and sworn to before me, this

day of... April

AD 194 3

Anna K. Linsbee
Notary Public

At Commission expires

June 11, 1945

not be a supplement thereof for a period of _____

one issue 1000

beginning with the issue dated _____

April 12, 1943

and ending with the issue dated _____

April 12, 1943

Thomas H. Summers
Publisher.

Sworn and subscribed to before me

this 12th day of _____

April, 1943

Blanche Springer
Notary Public.

My commission expires _____

June 25, 1946

(Seal) 1941

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

the purpose of the Pension Act, chapter 72, laws of 1906, as amended, the previous order No. 1, and the new situation brought about by the 49 Stat. 50).

IT IS THEREFORE ORDERED:

That the Government shall pay to the

of the

the sum of

(b) A sum of money, to be paid in installments, for the

allowance for the

to the

FILED

(c) Thereupon the allocation to each field shall in turn be prorated or distributed to the respective units in each field in accordance with the proration plan of the particular field where any such plan exists. Where no proration plan for any field exists, then the field allocation shall be distributed or prorated to the respective marginal and non-marginal units therein as determined in (b) herein next above.

(d) At the beginning of each calendar month the distribution or proration to the respective units in each field shall be changed in order to take into account all new wells which have been completed and were not in the proration schedule during the previous calendar month. Where any well is completed between the 1st and 16th of the calendar month, its unit shall be assigned an allowable, in accordance with whether such unit is marginal or non-marginal, beginning at 7 A.M., on the 16th and for the remainder of that calendar month.

3. Fields in counties, other than Lea and Eddy, shall be permitted to produce their market demand as long as such can be done without waste.

4. The Order herein replaces Order No. 1, General Proration Order, its amendatory Order No. 45, and Order No. 413, Eddy County Fields Proration Order. Order 235, the Proration Schedule Order, is retained as supplemental to the order herein.

5. Reservation of jurisdiction of this case is made herein for the purpose of promulgating a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only 10 barrels or less daily of crude petroleum, in lieu of ratable purchases or takings, in order to preclude premature abandonment of such wells.

That this order shall become effective on the first day of the proration month next succeeding the month in which said Order is adopted.

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

OIL CONSERVATION COMMISSION

JOHN J. BERTSEY, CHAIRMAN

H. R. RODGERS, MEMBER

JOHN E. KELLY, SECRETARY

ILL EGT B L E

Proceedings of the Commission, duly made and sworn to, setting forth the facts at ten o'clock, A. M., for hearing in the above entitled matter, said hearing was continued on said day, at said hour, in the Coronado Room, La Honda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor of New Mexico, Chairman
 HON. JOHN M. KELLY, State Geologist, Secretary
 HON. R. H. RODGERS, Commissioner of Public Lands, Member
 HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

| Name | Company | Address |
|--------------------|---------------------------|---------------------|
| R. E. Adams | Cities Service Oil Co. | Bartlesville, Okla. |
| D. C. Albers | The Ohio Oil Co. | Midland, Texas |
| W. D. Mitchell | Gulf Oil Corp. | Hobbs, N. M. |
| G. H. Gray | Repollo Oil Co. | Midland, Texas |
| Floyd Brett | do | Ft. Worth, Texas |
| H. E. Berg | Tidewater Assoc. Oil | Midland, Texas |
| L. F. Shiplet | The Texas Co. | Midland, Texas |
| E. H. Holcomb | Great Western Prod., Inc. | Lubbock, Texas |
| Geo. P. Livermore | do | Lubbock, Texas |
| Francis C. Wilson | Wilson Oil Co. | Santa Fe, N. M. |
| Neville G. Penrose | | Ft. Worth, Texas |
| Glenn Staley | Proration Office | Hobbs, N. M. |
| Leo Fry | Stanolind | Hobbs, N. M. |
| R. W. O'Neill | Phillips Pet. Co. | Odessa, Texas |
| D. R. McKeithan | do | Bartlesville, Okla. |
| Colin C. Rae | Skelly Oil Co. | Tulsa, Okla. |
| George W. Selinger | do | Tulsa, Okla. |
| H. B. Hurley | Continental Oil Co. | Ft. Worth, Texas |
| E. H. Griswold | N.M.P.U. | Midland, Texas |
| R. Van A. Mills | Continental Oil Co. | Ponca City, Okla. |
| C. C. Cragin | Western Gas | El Paso, Texas |
| W. E. Davis | do | Jal, N. M. |
| Bert Aston | Franklin Pet. | Roswell, N. M. |
| C. A. Scheurich | do | Clovis, N. M. |
| A. M. McCorkle | Lea Co. Oper. Com. | Ft. Worth, Texas |
| D. W. Bodie | Cities Service Oil Co. | Hobbs, N. M. |
| Edgar Kraus | Atlantic Refining Co. | Dallas, Texas |
| J. O. Seth | Lea Co. Oper. Com. | Santa Fe, N. M. |
| Guy Shepard | State Treasurer | Santa Fe, N. M. |
| Roy Yarbrough | State Oil & Gas | Hobbs, N. M. |
| Wilton E. Scott | Cities Service Oil Co. | Hobbs, N. M. |
| Fred M. Clement | Continental Oil Co. | Hobbs, N. M. |
| Leo R. Manning | State Land Office | Hobbs, N. M. |

ILLEGIBLE

W. S. Denny
Ed Downing
J. E. Moore
P. E. Heath
Frank Patton
John J. O'Malley
M. Albertson
Foster Merrill
Ernest A. Hanson
W. E. Hubbard
H. J. Kemler
A. E. Willig
E. C. Dahlgren
S. P. Hammifin
D. A. Powell
Bond D. Jones
G. H. Card
C. V. Millikan

Shell Oil Co., Inc.
U.S.G.S.
do
Humble Oil Co.
Shell Oil Co.
The Texas Co.
Interstate Oil Compact Com.
Magnolia
Drilling & Exploration Co.
Geologist
Stanolind O & G. Co.
Amerada Petroleum Corp.

Houston, Texas
Roswell, N. M.
Roswell, N. M.
Houston, Texas
Midland, Texas
Ft. Worth, Texas
Oklahoma City, Okla.
Roswell, N. M.
Hobbs, N. M.
Amarilla, Texas
Ft. Worth, Texas
Tulsa, Okla.

The meeting was called to order by the Chairman, and upon request of the Secretary, the Chief Clerk read the call of the meeting, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 39

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for a state-wide proration order to replace Order No. 1, General Proration Order, and the amendatory order thereof No. 45. Change is not contemplated in the existing Order No. 33, the Monument Proration Order and Order No. 398, the Hobbs Proration Order; and for a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only ten barrels or less daily of crude petroleum, in lieu of ratable purchases or takings in order to preclude premature abandonment of such wells. This case is set for 10 o'clock A.M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

ILLUSTRATION

northwest corner of the field, we have a small well, a stripper class. When Order No. 1 was promulgated, there was Red Lake, Noble, Astor and Bloomington and they were given their allowable on the proration schedule. We have other development since that time.

In Order No. 1 they could produce less than a thousand barrels per day, approximately one-third of the market demand. The local refineries are in need of crude, and the Commission felt that we should take all the fields off the proration schedule and grant no specific allowable, but allow them to produce up to the limit, without waste. That would give Lea and Eddy Counties four hundred barrels additional. Lea and Eddy will run approximately three per cent under the allowable, and this additional four hundred barrels will cut that to two per cent. At that time we were faced with severe proration and allowable, due to pipe line proration. The small allowable wells, it seemed, would be prematurely abandoned, when the top allowable being cut so they would not make a percentage to enable them to operate. This is designed to make the temporary order permanent.

We would be glad to answer any questions you gentlemen might have. Would anyone have any objection to the proposed order?

I move that the Commission take this case under advisement.

ILLUSTRATIONS

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 9, 1943

Honorable Glenn Staley
Proration Office
Hobbs, New Mexico

Re: Cases: 39, 40, 41 and 42

Dear Glenn:

Enclosed are copies of the Notices of Publication
in the above captioned cases.

Very truly yours,

John H. Kelly
Director

By

Chief Clerk & Legal Advisor

CEC:MS

Case No.

39

Application, Transcript,
Small Exhibits, Etc.

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

CASE NO. 39

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for a State-wide proration order to replace Order No. 1, General Proration Order, and the amendatory order thereof No. 45. Change is not contemplated in the existing Order No. 33, the Monument Proration Order and Order No. 398, the Hobbs Proration Order; and for a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only ten barrels or less daily of crude petroleum, in lieu of ratable purchases or takings in order to preclude premature abandonment of such wells. This case is set for 10 o'clock A.M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION

he at \$.....4.08

lines,times, \$.....

Tax \$.....

Total \$.....4.08

Received payment,

By.....

Affidavit of Publication

State of New Mexico, } ss.
County of Santa Fe

I, A. N. Morgan, being first duly sworn, declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for one time ~~once each week and on the Sunday of each week~~ in the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, one each week for one time ~~one each week~~ weeks consecutively the first publication being on the 12th day of April, 1943, ~~and the last publication~~ on the ~~12th~~ day of April, 1943; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

A. N. Morgan
Editor Morgan

Subscribed and sworn to before me, this 13th

day of April, A.D., 1943

Anna K. Ormsbee
Notary Public.

My Commission expires

June 11, 1945

AFFIDAVIT OF PUBLICATION

State of New Mexico, }
County of Lea }

I, Thomas G. Summers

Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of _____

_____ one issue _____/weeks.

beginning with the issue dated _____

April 12, 1943

and ending with the issue dated _____

Thomas G. Summers, 1943
Publisher.

Sworn and subscribed to before me

this 12th day of _____

April, 1943

Blanche Springer
Notary Public.

My commission expires _____

June 25, 1946, 1946

(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

(April 12)

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 33

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for a State-wide proration order to replace Order No. 1, General Proration Order, and the amendatory order thereof No. 45. Change is not contemplated in the existing Order No. 33, the Monument Proration Order and Order No. 355, the Hobbs Proration Order; and for a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only ten barrels or less daily of crude petroleum in lieu of valuable purchased or taking in order to preclude premature abandonment of such wells. This case is set for 10 o'clock A. M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 23, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION
COMMISSION

By (Sgt.) John M. Kelly,
Secretary.

(SEAL)

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
CONSIDERING:

CASE NO. 39
ORDER NO. 538

THE APPLICATION OF THE NEW MEXICO OIL
CONSERVATION COMMISSION, UPON ITS OWN
MOTION, FOR A STATE-WIDE PRORATION ORDER
TO REPLACE ORDER NO. 1, GENERAL PRORATION
ORDER, AND THE AMENDATORY ORDER THERETO
NO. 45.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., April 27, 1943,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 22 day of June, 1943, the Commission having before it
for consideration the testimony adduced at the hearing of said case and
being fully advised in the premises, the Commission finds:

F I N D I N G S

I. That the order herein is reasonable and necessary for the
purpose of: the prevention of waste as defined by the basic Oil Conservation
Act, Chapter 72, Laws of New Mexico 1935, the broadening of the scope of
the previous Order No. 1, General Proration Order, Order No. 45, and meeting
new situations brought about by the Connally Act (Act of Congress 2-24-35,
49 Stat. 30).

IT IS THEREFORE ORDERED:

That the Order herein shall be known as the:

STATE-WIDE PRORATION ORDER

1. (a) The unit of proration shall consist of 40 acres or lot in
accordance with the legal sub-divisions of the United States Public Lands
Surveys, on which is at least one producing well. No well shall be drilled
closer to any unit boundary line than 330 feet or less than 660 feet from
any other well except upon petition, notice and hearing as provided by law,
provided such unorthodox well location will create neither waste nor hazards
conducive to waste.

(b) A marginal unit is a unit that will not produce the top unit
allowable for the field.

(c) A non-marginal unit is a unit that will produce the unit top
allowable for the field.

(d) The top unit allowable for the purpose of making allocations
to the respective fields and for the purpose of distributing or prorating the
field allocations to the units within the field, except for those fields
having proration plans of their own, shall be as defined in the computation
for making allocations to fields as set out in Section 2 hereinbelow.

(e) The proration month shall be the calendar month which shall begin at 7 A.M., on the first day of such month.

2. (a) The total allowable for fields in Lea and Eddy counties shall be in terms of total barrels daily for each calendar month and shall be allocated to the respective fields by the following computation:

(b) From the total allowable shall be deducted the sum of the allowables for all marginal units. The remainder shall be equally divided among the non-marginal units; any fraction of a barrel shall be regarded as a full barrel. The quotient thus resulting shall be the top unit allowable. The sum for all marginal units plus the sum of the top allowables for all non-marginal units in each field shall constitute the allocation for each field.

(c) Thereupon the allocation to each field shall in turn be prorated or distributed to the respective units in each field in accordance with the proration plan of the particular field where any such plan exists. Where no proration plan for any field exists, then the field allocation shall be distributed or prorated to the respective marginal and non-marginal units therein as determined in (b) herein next above.

(d) At the beginning of each calendar month the distribution or proration to the respective units in each field shall be changed in order to take into account all new wells which have been completed and were not in the proration schedule during the previous calendar month. Where any well is completed between the 1st and 16th of the calendar month, its unit shall be assigned an allowable, in accordance with whether such unit is marginal or non-marginal, beginning at 7 A.M., on the 16th and for the remainder of that calendar month.

3. Fields in counties, other than Lea and Eddy, shall be permitted to produce their market demand as long as such can be done without waste.

4. The Order herein replaces Order No. 3, General Proration Order, its amendatory Order No. 45, and Order No. 413, Eddy County Fields Proration Order. Order 235, the Proration Schedule Order, is retained as supplemental to the order herein.

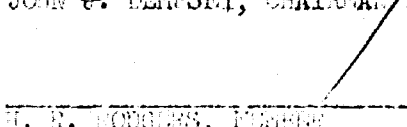
5. Reservation of jurisdiction of this case is made herein for the purpose of promulgating a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only 10 barrels or less daily of crude petroleum, in lieu of ratable purchases or takings, in order to preclude premature abandonment of such wells.

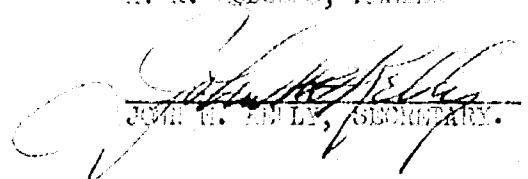
That this order shall become effective on the first day of the proration month next succeeding the month in which said Order is adopted.

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

OIL CONSERVATION COMMISSION


JOHN C. DEMPSEY, CHAIRMAN


H. R. RODGERS, MEMBER


JOHN E. EMLEY, SECRETARY.

CASE NO. 39

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE NEW MEXICO OIL CONSERVATION COMMISSION, UPON ITS OWN MOTION, FOR A STATE-WIDE PRORATION ORDER TO REPLACE ORDER NO. 1, GENERAL PRORATION ORDER, AND THE AMENDATORY ORDER THEREOF NO. 45. CHANGE IS NOT CONTEMPLATED IN THE EXISTING ORDER NO. 33, THE MONUMENT PRORATION ORDER AND ORDER NO. 398, THE HOBBS PRORATION ORDER; AND FOR A FURTHER ORDER AUTHORIZING AND DIRECTING ANY COMMON PURCHASER TO TAKE OR PURCHASE 100% FROM WELLS WHICH PRODUCE ONLY TEN BARRELS OR LESS DAILY OF CRUDE PETROLEUM, IN LIEU OF RATABLE PURCHASE OR TAKINGS IN ORDER TO PRECLUDE PREMATURE ABANDONMENT OF SUCH WELLS.

Pursuant to notice by the Commission, duly made and published, setting April 27, 1943, at ten o'clock, A. M., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room, La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor of New Mexico, Chairman
HON. JOHN M. KELLY, State Geologist, Secretary
HON. R. H. RODGERS, Commissioner of Public Lands, Member
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

| <u>Name</u> | <u>Company</u> | <u>Address</u> |
|--------------------|---------------------------|---------------------|
| R. E. Adams | Cities Service Oil Co. | Bartlesville, Okla. |
| D. C. Albers | The Ohio Oil Co. | Midland, Texas |
| W. D. Mitchell | Gulf Oil Corp. | Hobbs, N. M. |
| G. H. Gray | Repollo Oil Co. | Midland, Texas |
| Floyd Brett | do | Ft. Worth, Texas |
| H. E. Berg | Tidewater Assoc. Oil | Midland, Texas |
| L. F. Shiplet | The Texas Co. | Midland, Texas |
| E. H. Holcomb | Great Western Prod., Inc. | Lubbock, Texas |
| Geo. P. Livermore | do | Lubbock, Texas |
| Francis C. Wilson | Wilson Oil Co. | Santa Fe, N. M. |
| Neville G. Penrose | | Ft. Worth, Texas |
| Glenn Staley | Proration Office | Hobbs, N. M. |
| Leo Fry | Stanolind | Hobbs, N. M. |
| R. W. O'Neill | Phillips Pet. Co. | Odessa, Texas |
| D. R. McKeithan | do | Bartlesville, Okla. |
| Colin C. Rae | Skelly Oil Co. | Tulsa, Okla. |
| George W. Selinger | do | Tulsa, Okla. |
| H. B. Hurley | Continental Oil Co. | Ft. Worth, Texas |
| E. H. Griswold | N.M.P.U. | Midland, Texas |
| R. Van A. Mills | Continental Oil Co. | Ponca City, Okla. |
| C. C. Cragin | Western Gas | El Paso, Texas |
| W. B. Davis | do | Jal, N. M. |
| Bert Aston | Franklin Pet. | Roswell, N. M. |
| C. A. Scheurich | do | Clovis, N. M. |
| A. E. McCorkle | Lea Co. Oper. Com. | Ft. Worth, Texas |
| D. W. Bodie | Cities Service Oil Co. | Hobbs, N. M. |
| Edgar Kraus | Atlantic Refining Co. | Dallas, Texas |
| J. O. Seth | Lea Co. Oper. Com. | Santa Fe, N. M. |
| Guy Shepard | State Treasurer | Santa Fe, N. M. |
| Roy Yarbrough | State Oil & Gas | Hobbs, N. M. |
| Wilton E. Scott | Cities Service Oil Co. | Hobbs, N. M. |
| Fred M. Clement | Continental Oil Co. | Hobbs, N. M. |
| Leo R. Manning | State Land Office | |

| | | |
|--------------------|-----------------------------|----------------------|
| P. D. Grommon, Jr. | The Texas Co. | Midland, Texas |
| L. C. Thomas | The Texas Co. | Midland, Texas |
| John E. Miles | | Santa Fe, N. M. |
| H. A. Kiker, Atty. | Southern Union Prod. Co. | Santa Fe, N. M. |
| Van Thompson | do | Dallas, Texas |
| M. C. Parrish, Jr. | do | Santa Fe, N. M. |
| C. C. Campbell | Texas Pacific Coal & Oil | Midland, Texas |
| O. F. Hedrick | do | Midland, Texas |
| Niven Baird | American Republics Corp. | Artesia, N. M. |
| R. U. Fitting, Jr. | Shell Oil Co. | Midland, Texas |
| J. D. Hudgins | State Tax Com. | Santa Fe, N. M. |
| R. S. Dewey | Humble Oil & Rfg. Co. | Midland, Texas |
| Ed Downing | Magnolia | Kermit, Texas |
| J. H. Moore | Shell Oil Co. | Hobbs, N. M. |
| F. E. Heath | Sun Oil Co. | Dallas, Texas |
| Frank Patten | P.A.W. | Washington, D. C. |
| John J. O'Malley | | |
| M. Albertson | Shell Oil Co., Inc. | Houston, Texas |
| Foster Merrill | U.S.G.S. | Roswell, N. M. |
| Ernest A. Hanson | do | Roswell, N. M. |
| W. E. Hubbard | Humble Oil Co. | Houston, Texas |
| H. J. Kemler | Shell Oil Co. | Midland, Texas |
| A. E. Willig | The Texas Co. | Ft. Worth, Texas |
| E. C. Dahlgrin | Interstate Oil Compact Com. | Oklahoma City, Okla. |
| S. P. Hannifin | Magnolia | Roswell, N. M. |
| D. A. Powell | Drilling & Exploration Co. | Hobbs, N. M. |
| Bond D. Jones | Geologist | Amarilla, Texas |
| G. H. Card | Stanolind O & G. Co. | Ft. Worth, Texas |
| C. V. Millikan | Amerada Petroleum Corp. | Tulsa, Okla. |

The meeting was called to order by the Chairman, and upon request of the Secretary, the Chief Clerk read the call of the meeting, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 39

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for a state-wide proration order to replace Order No. 1, General Proration Order, and the amendatory order thereof No. 45. Change is not contemplated in the existing Order No. 33, the Monument Proration Order and Order No. 398, the Hobbs Proration Order; and for a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only ten barrels or less daily of crude petroleum, in lieu of ratable purchases or takings in order to preclude premature abandonment of such wells. This case is set for 10 o'clock A.M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION COMMISSION

(Sgd) John M. Kelly
Secretary."

BY MR. LIVINGSTON: The Commission is now ready to proceed.

BY MR. KELLY: As this case is called by the Commission on its own motion, I will state the reasons for calling it. In the northwest area of New Mexico, we have around six small stripper fields. When Order No. 1 was promulgated there was Red Lakes, Table Mesa, Aztec and Bloomfield, and they were given their allowable on the proration schedule. We have other development since that time.

In Order No. 1 they could produce less than a thousand barrels per day, approximately one-third of the market demand. The local refineries are in need of crude, and the Commission felt that we should take all the fields off the proration schedule and grant no specific allowable, but allow them to produce up to the limit, without waste. That would give Lea and Eddy Counties four hundred barrels additional. Lea and Eddy will run approximately three per cent under the allowable, and this additional four hundred barrels will cut that to two per cent. At that time we were faced with severe proration and allowable, due to pipe line proration. The small allowable wells, it seemed, would be prematurely abandoned, when the top allowable being cut so they would not make a percentage to enable them to operate. This is designed to make the temporary order permanent.

We would be glad to answer any questions you gentlemen might have. Would anyone have any objection to the proposed order?

I move that the Commission take this case under advisement.

C E R T I F I C A T E

I hereby certify that the foregoing and attached three pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me in Case No. 39, on the 27th day of April, 1943, and by me extended into type-writing.

Witness my hand this 6th day of May, 1943.

Esther Barton
Esther Barton.

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 CONSIDERING:

CASE NO. 39
ORDER NO. 539

THE APPLICATION OF THE NEW MEXICO OIL
CONSERVATION COMMISSION, UPON ITS OWN
MOTION, FOR A FURTHER ORDER AUTHORIZING
AND DIRECTING ANY COMMON PURCHASER TO
TAKE OR PURCHASE 100% FROM WELLS WHICH
PRODUCE ONLY TEN BARRELS OR LESS DAILY
OF CRUDE PETROLEUM, IN LIEU OF RATABLE
PURCHASES OR TAKINGS IN ORDER TO PRECLUDE
PREMATURE ABANDONMENT OF SUCH WELLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock A.M., April 27, 1943,
at Santa Fe, New Mexico, before the Oil Conservation Commission of the State
of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 22nd day of June, 1943, the Commission having before it
for consideration the testimony adduced at the hearing of said case and
being fully advised in the premises;

IT IS THEREFORE ORDERED:

1. That any common purchaser is authorized and directed to make 100
percent purchases from wells of settled production producing ten barrels or
less daily of crude petroleum within its purchasing area and ordinarily
served by it in lieu of ratable purchases or takings, in order to preclude
premature abandonment.

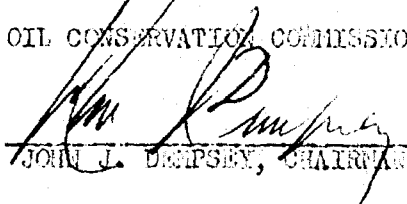
PROVIDED, HOWEVER, where such purchaser's takings are curtailed
below ten barrels daily of crude petroleum, then said purchaser is
authorized and directed to purchase equally from all such wells within
said area and ordinarily served by it regardless of their producing ability
insofar as they are capable of producing.

2. Reservation of jurisdiction in this case is made herein for a
State-wide proration order to replace Order No. 1, General Proration Order,
and the amendatory order thereof, No. 45.

3. That this order shall become effective on the first day of the
proration month next succeeding the month in which said order is adopted.

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

OIL CONSERVATION COMMISSION


JOHN L. DEMPSEY, CHAIRMAN

H. B. RODGERS, MEMBER


JOHN M. KELLY, SECRETARY

SEAL

WIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 8, 1943

The Santa Fe New Mexican
Santa Fe, New Mexico

Hobbs Daily New-Sun
Hobbs, New Mexico

Re: Case No. 39 - Notice For Publication

Gentlemen:

Please publish the enclosed notice once, immediately.
Please proof read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND
PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate
accompanied by voucher executed in duplicate. The vouchers
must be signed by a notary in the space provided on the back
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,
John H. Kelly
Director

By

Chief Clerk & Legal Advisor

CSL:MS

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 39

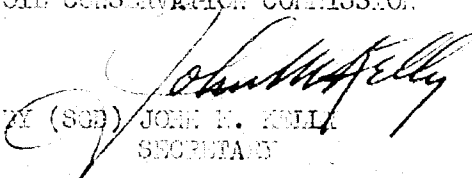
In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for a State-wide proration order to replace Order No. 1, General Proration Order, and the amendatory order thereof No. 45. Change is not contemplated in the existing Order No. 33, the Monument Proration Order and Order No. 398, the Hobbs Proration Order; and for a further order authorizing and directing any common purchaser to take or purchase 100% from wells which produce only ten barrels or less daily of crude petroleum, in lieu of ratable purchases or takings in order to preclude premature abandonment of such wells. This case is set for 10 o'clock A.M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION COMMISSION


BY (SGR) JOHN E. KELLA
SECRETARY