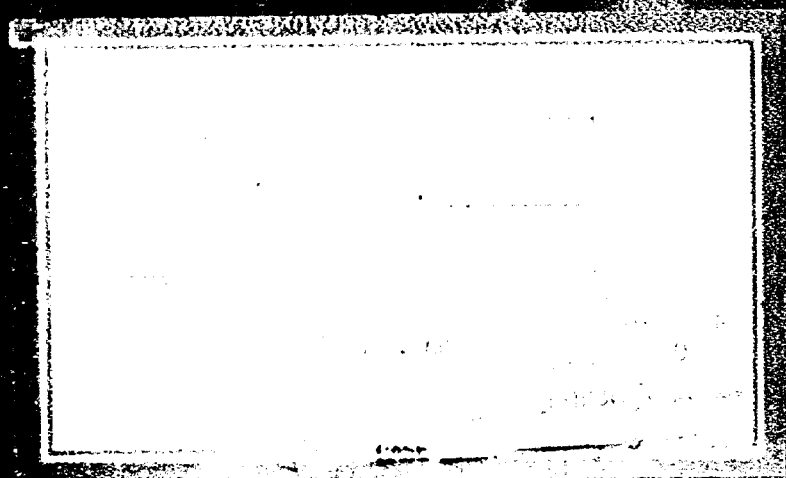


Case No.

992

Application, Transcript,  
Small Exhibits, Etc.



CERTIFICATE

STATE OF NEW MEXICO     )  
                              :   ss  
COUNTY OF SANTA FE     )

I, W. B. Macey, member and secretary and director of the Oil Conservation Commission of the State of New Mexico, do hereby certify that the attached copies of orders, allowable schedules and proration schedules of said Commission are true and correct copies of the originals of said orders, allowable schedules and proration schedules now on file in the office of said Commission. Said orders, allowable schedules and proration schedules, of which copies are attached, are more particularly described as follows:

1. ORDER No. AG-1 and SCHEDULE "A" attached thereto.

2. ORDER No. AG-1-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

3. ORDER No. AG-1-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

4. ORDER No. AG-1-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

5. ORDER No. AG-1-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

6. ORDER No. AG-1-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

7. ORDER No. AG-1-F and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

8. ORDER No. AG-2 and SCHEDULE "A" attached thereto.

9. ORDER No. AG-2-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

10. ORDER No. AG-2-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

11. ORDER No. AG-2-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

12. ORDER No. AG-2-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

13. ORDER No. AG-2-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil



and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

14. ORDER No. AG-2-F and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

15. ORDER No. AG-3 and SCHEDULE "A" attached thereto.

16. ORDER No. AG-3-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

17. ORDER No. AG-3-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

18. ORDER No. AG-3-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

19. ORDER No. AG-3-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

20. ORDER No. AG-3-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

21. ORDER No. AG-3-F and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

22. ORDER No. AG-4 and SCHEDULE "A" attached thereto.

23. ORDER No. AG-4-1 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

24. ORDER No. AG-4-2 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

25. ORDER No. AG-4-3 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

26. ORDER No. AG-4-4 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

27. ORDER No. AG-4-5 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

28. ORDER No. AG-4-6 and the sheet of proration schedule attached thereto being that portion of the proration schedule re-

ferred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

29. ORDER No. AG-5 and SCHEDULE "A" attached thereto.

30. ORDER No. AG-5-1 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

31. ORDER No. R-264-A.

32. ORDER No. R-372-A.

33. ORDER No. R-464.

34. ORDER No. R-610.

I do further hereby certify, after diligent search of the records of said Oil Conservation Commission, that the above described are all of the orders, allowable schedules and proration schedules that have been adopted by the Oil Conservation Commission of the State of New Mexico affecting Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the said Commission located in the Blinbry Gas Pool in the NE/4 NE/4 of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the period from November 10, 1953, to January 18, 1956, both inclusive.

IN WITNESS WHEREOF I have affixed my hand and the seal of the Oil Conservation Commission of the State of New Mexico on this 19<sup>th</sup> day of January, 1956.

W. B. Macey  
W. B. Macey  
Member, Secretary and Director of  
the Oil Conservation Commission  
of the State of New Mexico

Subscribed and sworn to before me this 19<sup>th</sup> day of January, 1956.

My commission expires:

Sept. 22, 1957

Ida Rodriguez  
Notary Public

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER No. AG-1

GAS PRORATION ORDER  
FOR PERIOD JANUARY 1, 1954 THROUGH JUNE 30, 1954

The Commission held public hearing at Santa Fe, New Mexico on November 19, 1953 at 9 o'clock a.m., pursuant to legal notice for the purpose of setting the allowable production of gas from the following nine (9) gas pools in Lea County, New Mexico for the six month period, January 1, 1954 through June 30, 1954:

Amanda, Arrow, Blinebry, Byers-Queen  
Eumont, Jalco, Justis, Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed nine (9) gas pools for the period January 1, 1954 through June 30, 1954 is 49,163,888 MCF. The individual pool nominations, which total 49,163,888 MCF, are as follows:

AMANDA	181,000
ARROW	654,962
BLINEBRY	3,832,813
BYERS-QUEEN	193,370
EUMONT	14,154,009
JALCO	9,808,806
JUSTIS	378,593
LANGMAT	17,038,720
TUBB	2,921,615

26,847,526

(2) The potential producing capacity of all gas wells in the nine (9) gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine (9) gas pools should be limited and allocated and distributed during the six month proration period commencing January 1, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine (9) gas pools listed above can produce a total of 49,163,888 MCF without causing waste within the six month proration period commencing January 1, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the six month proration period commencing January 1, 1954 the total allowable production to be assigned the nine (9) allocated gas pools in Lea County be and the same hereby is as follows:

AMANDA	181,000 MCF
ARROW	654,962 MCF
BLINEBRY	3,832,813 MCF
BYERS-QUEEN	193,370 MCF
EUMONT	14,154,009 MCF
JALCO	9,808,806 MCF
JUSTIS	378,593 MCF
LANGMAT	17,038,720 MCF
TUBB	2,921,615 MCF

(2) The allocation hereby set for said six month proration period in the nine (9) allocated pools in Lea County, New Mexico shall be in accordance with Orders Nos. 368-A through 376-A inclusive, and the Commission's Rules and Regulations.

(3) The total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A", attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers supplemental nominations and actual gas production, in accordance with Orders Nos. 368-A through 376-A inclusive.

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

DONE at Santa Fe, New Mexico, this 24th day of November, 1953.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

SCHEDULE "A"

	Rev.	JANUARY	Rev.	FEBRUARY	Rev.	MARCH	Rev.	APRIL	Rev.	MAY	Rev.	JUNE	TOTAL
AMANDA	✓	31,000		28,000		31,000		30,000		31,000		30,000	181,000
ARROW	135,391	121,449		93,233		142,821		107,722		94,997		94,740	654,962
BLINERY	973,425	820,320		677,076		922,163		571,889		414,369		426,996	3,832,813
BYERS-QUEEN	8766	33,760		30,160		33,260		31,990		32,710		31,490	193,370
EUMONT		2,734,570		2,494,793		2,633,282		2,249,856		2,065,222		1,976,286	14,154,009
JALCO		2,030,192		1,555,596		2,909,317		1,505,725		858,871		949,105	9,808,806
JUSTIS		83,682		66,702		100,669		55,490		34,411		37,639	378,593
LANGMAT		3,528,708		2,754,662		4,929,995		2,621,570		1,534,222		1,669,563	17,038,720
TUBB		605,480		517,823		596,384		439,286		381,176		381,466	2,921,615
TOTAL													49,163,888

Total 9,989,161

Revised

All figures in MCF @ 60° F. & 15.025 P.S.I.A.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-A-

SUPPLEMENTARY GAS PRORATION ORDER FOR  
MONTH OF JANUARY, 1954

The Commission held public hearing at Santa Fe, New Mexico on December 17, 1953 at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of January, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis  
Langmat and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed nine gas pools for the month of January, 1954 is 12,299,763 MCF. The individual pool nominations, which total 12,299,763 MCF, are as follows:

Amanda	31,000
Arrow	135,391
Blinebry	973,425
Byers-Queen	8,760
Eumont	3,040,253
Jalco	2,629,478
Justis	130,109
Langmat	4,655,871
Tubb	695,476

12,853,499

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated and distributed during the month of January, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 12,299,763 MCF without causing waste during the month of January 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the month of January, 1954 the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Amanda	31,000
Arrow	135,391
Blinebry	973,425
Byers-Queen	8,760
Eumont	3,040,253
Jalco	2,629,478
Justis	130,109
Langmat	4,655,871
Tubb	695,476

(2) The allocation hereby set for the month of January in the Nine allocated pools in Lea County, New Mexico, shall be in accordance with Order Numbers R-368-A through R-376-A, inclusive, and the Commission's Rules and Regulations.

Order No. AG-1-A

(3) A proration schedule, duly prepared by the the Commission and thereafter adopted, for the month of January, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations of the Commission and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 21st day of December, 1953.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

SEAL



OFFEROR LEASE	WELL NO.	S.T.R.	NO. ACRES	FACTOR	AMANDA	JAN. ALLOW.	PIPE LINE
* Indicates marginal wells							
GULF OIL CORP.	1 J	25-22-37	120	.75		31,000	Gulf
Amanda							
CONTINENTAL OIL CO.	6-F	1-22-36	160	1.00		33,848	Cont
Lockhart B-1							
GULF OIL CORP.	1-0	24-21-36	160	1.00		33,848	Gulf
Matern H.T. A							
Ransey B	2-E	25-21-36	160	1.00		33,848	"
SINCLAIR OIL & GAS CO.	4-N	25-21-36	160	1.00		33,848	E.P.
Brownlee							
POOL TOTALS	4		640	4.00		135,392	
<p>Beginning with the March Schedule this space will be used for tabulating Previous Allowables and Production and for calculating allowable adjustments.</p>							
<p>ARROW</p>							
<p>BLINERY</p>							
AMERICA PET. CORP.	4-I	16-21-37	80	.50		15,575	P.B.
the DA							
AZTEC OIL & GAS CO.	2-A	10-21-37	40	.25		7,788	S.U.
Dawson							
CITIES SERVICE OIL CO.	1-E	15-21-37	80	.50		15,575	E.P.
State S							
CONTINENTAL OIL CO.	8-0	11-21-37	160	1.00		31,150	E.P.
Lockhart B-11							
GULF OIL CORP.	5-D	30-22-38	160	1.00		31,150	E.P.
Vivian							

OPERATOR LEASE	WELL NO.	S.T.R.	NO. ACRES	FACTOR	EL TWEEKY CONT'D	JAN. ALLOW.	PIPE LINE
HUMBLE OIL & REG. CO.	1-B	13-22-37	160	1.00	✓	31,150	E.P.
Penrose							
MAGNOLIA PET. CO.	6-E	10-22-37	160	1.00	✓	31,150	P.B.
Brunson Argo	8-F	33-21-37	120	.75	✓	23,363	P.B.
Cerson, E.O.	7-P	33-21-37	120	.75	✓	23,363	P.B.
Corrigan, H.	8-J	11-22-37	160	1.00	✓	31,150	P.B.
Long, S.E.	3-D	34-21-37	160	1.00	✓	31,150	P.B.
Marshall Unit	1-A	23-21-37	40	.25	✓	7,788	P.B.
Williamson							
MARKHAM, CONE & REDFERN	1-M	14-21-37	160	1.00	✓	31,150	E.P.
Eubanks							
MORAN, E. F.	2-D	14-21-37	160	1.00	✓	31,150	E.P.
Owen							
OHIO OIL CO.	4-L	27-21-37	160	1.00	✓	31,150	P.B.
Marshall B	3-N	24-22-37	80	.50	✓	15,575	E.P.
Nancy	2-O	15-21-37	160	1.00	✓	31,150	P.B.
Warlick C	12-H	11-22-37	160	1.00	✓	31,150	P.B.
Wortham							
OLSEN, R. OIL CO.	2-H	23-22-37	160	1.00	✓	31,150	E.F.
Boyd	1-L	13-22-37	80	.50	✓	15,575	E.F.
Danglade	1-C	25-22-37	120	.75	✓	23,363	E.F.
Drinkard	1-F	25-22-37	40	.25	✓	7,788	E.F.
Sims							
PHILLIPS PET. CO.	1-L	24-22-37	80	.50	✓	15,575	E.P.
Sims	4-D	24-22-37	160	1.00	✓	31,150	E.P.
SAMEDAN OIL CORP.	2-M	14-22-37	160	1.00	✓	31,150	E.P.
Parks	5-O	14-22-37	160	1.00	✓	31,150	"
Parks A							
SHELL OIL CO.	3-K	15-21-37	160	1.00	✓	31,150	E.P.
Argo	5-F	22-21-37	160	1.00	✓	31,150	E.P.
Argo A							

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-B

SUPPLEMENTARY GAS PRORATION ORDER FOR THE  
MONTH OF FEBRUARY 1954

The Commission held public hearing at Santa Fe, New Mexico, on January 20, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of February, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis,  
Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed nine gas pools for the month of February, 1954, is 13,872,411 MCF. The individual pool nominations, which total 13,872,411 MCF, are as follows:

Amanda	1,000
Arrow	103,837
Blinebry	1,147,193
Byers-Queen	8,310
Eumont	3,072,316
Jalco	2,495,018
Justis	90,476
Langmat	6,142,548
Tubb	811,713

8,637,566

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated, and distributed during the month of February 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 13,872,411 MCF without causing waste during the month of February 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the month of February 1954, the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Order No. AG-1-B

Amanda	1,000 MCF
Arrow	103,837
Blinebry	1,147,193
Byers-Queen	8,310
Eumont	3,072,316
Jalco	2,495,018
Justis	90,476
Langmat	6,142,548
Tubb	811,713

(2) The allocation hereby set for the month of February in the nine allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, incl., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted, for the month of February 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 27th day of January, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

OPERATOR LEASE	WELL NO.	S.T.R.	NO. ACRES	FACTOR	AMANDA TOTAL ALLOCATION 1,000 MCF	FEB. ALLOW. MCF	PIPE LINE
* Indicates marginal wells							
GULF OIL CORP.	1 J	25-22-37	120	.75		1,000	Gulf
Amanda							
					ARROW TOTAL ALLOCATION 103,837		
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00		25,959	Cont.
Lockhart B-1							
GULF OIL CORP.	1 O	24-21-36	160	1.00		25,959	Gulf
Mattern H.T. A	2 E	25-21-36	160	1.00		25,959	"
Ramsey B							
SINCLAIR OIL & GAS CO.	4-N	25-21-36	160	1.00		25,959	E.P.
Brownlee							
POOL TOTALS	4		640	4.00		103,836	
					BLINEBRY TOTAL ALLOCATION 1,147,193 MCF		
AMERADA PET. CORP.	4-I	16-21-37	80	.50		17,649	P.B.
State DA							
AZTEC OIL & GAS CO.	2 A	10-21-37	40	.25		8,825	S.U.
Deuron							
CITIES SERVICE OIL CO.	1 E	15-21-37	80	.50		17,649	E.P.
State S							
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00		35,298	E.P.
Lockhart B-11							
GULF OIL CORP.	5-D	30-22-38	160	1.00		35,298	E.P.
Vivian							
					(1)		

OPERATOR LEASE	WELL NO.	S.T.R.	NO. ACRES	FACTOR	BLINEBRY CONT'D	FEB. ALLOW. MCF	PIPE LINE
HUMBLE OIL & REG. CO.	1 B	13-22-37	160	1.00		35,298	E.P.
Penrose							
MAGNOLIA PET. CO.	6 E	10-22-37	160	1.00		35,298	P.B.
Brunson Argo	8 F	33-21-37	160	1.00		35,298	P.B.
Carson, E. O.	7 P	33-21-37	120	.75		26,474	P.B.
Corrigan, H.	8 J	11-22-37	160	1.00		35,298	P.B.
Iveng, S.E.	3 D	34-21-37	160	1.00		35,298	P.B.
Marshall Unit	1 A	23-21-37	40	.25		8,825	P.B.
Williamson							
MARKHAM, COME & REDFERN	1 M	14-21-37	160	1.00		35,298	E.P.
Eubanks							
MORAN, E. F.	2 D	14-21-37	160	1.00		35,298	E.P.
Owen							
OHIO OIL CO.	4 L	27-21-37	160	1.00		35,298	P.B.
Marshall B	3 N	24-22-37	80	.50		17,649	E.P.
Muncy	2 O	15-21-37	160	1.00		35,298	P.B.
Warlick C	12 H	11-22-37	160	1.00		35,298	P.B.
Worthern							
OLSEN, R. OIL CO.	2 H	23-22-37	160	1.00		35,298	P.B.
Boyd	1 L	13-22-37	80	.50		17,649	E.P.
Danglade	1 C	25-22-37	120	.75		26,474	E.P.
Drinkard	1 F	25-22-37	40	.25		8,825	E.P.
Sims							
PHILLIPS PET. CO.	1 L	24-22-37	80	.50		17,649	E.P.
Sims	4 D	24-22-37	160	1.00		35,298	E.P.
SAMEDAN OIL CORP.	2 M	14-22-37	160	1.00		35,298	E.P.
Parks	5 O	14-22-37	160	1.00		35,298	"
Parks A							

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-C

SUPPLEMENTARY GAS PRORATION ORDER FOR THE  
MONTH OF MARCH 1954

The Commission held public hearing at Santa Fe, New Mexico, on February 17, 1954, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of March, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco,  
Justis, Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed nine gas pools for the month of March, 1954, is 12,544,730 MCF. The individual pool nominations which total 12,544,730 MCF, are as follows:

Amanda	31,000
Arrow	96,819
Blinebry	974,356
Byers-Queen	8,760
Eumont	3,235,780
Jalco	2,206,449
Justis	69,247
Langmat	4,320,143
Tubb	1,602,176

12,544,730

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated, and distributed during the month of March, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 12,544,730 MCF without causing waste during the month of March 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of March 1954, the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Amanda	31,000
Arrow	96,819
Blinebry	974,356
Byers-Queen	8,760
Eumont	3,235,780
Jalco	2,206,449
Justis	69,247

Order No. AG-1-C

Langmat	4,320,143
Tubb	1,602,176

(2) That the allocation hereby set for the month of March in the nine allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, incl., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and there after adopted, for the month of March 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 18th day of February, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE SUPPLEMENTARY  
GAS PRORATION ORDER FOR THE MONTH  
OF MARCH 1954

IN RE: CORRECTION TO  
ORDER NO. AG-1-C

NUNC PRO TUNC ORDER OF THE COMMISSION

It appearing to the Commission that Order No. AG-1-C, entered by the Commission itself on February 18, 1954, is not a true and correct memorial of the judgment and intent of the Commission, in that the individual pool nominations for the Tubb Gas Pool, Lea County, New Mexico, are shown as:

1,602,176 MCF

when the figure should have been shown as:

843,663 MCF;

and, further, in that the total nominations were, as a result of this individual pool error, shown as:

12,544,730 MCF

when they should have been shown as:

11,786,217 MCF.

IT IS THEREFORE ORDERED:

That Order AG-1-C and that portion of said order and the schedule derived therefrom relating to the Tubb Gas Pool, Lea County, New Mexico, be amended to show the Tubb Gas Pool nominations as totalling 843,663 MCF and the total of all nine gas pool nominations as 11,786,217 MCF; and that this correction and alteration be entered nunc pro tunc as of February 18, 1954, the date of said Order No. AG-1-C, and that said order in all other respects is hereby ratified and affirmed.

DONE at Santa Fe, New Mexico, this 17th day of March, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)

AMANDA POOL  
MARCH NOMINATIONS 31,000  
LESS JAN. UNDERAGE 31,000  
MARCH CUR. ALLOW. 0

OPERATOR	WELL	NO.	ACRES	FACTOR	JAN. ALLOW.	JAN. PROD.	OVER	UNDER	FEB. CUR. ALLOW.	FEB. NET ALLOW.	MARCH CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
LEASE	NO.	S.T.R.											
* INDICATES MARGINAL WELLS													

GULF OIL CORP.  
Amenda 1 J 25-22-37 120 .75 31,000 0 0 31,000 1,000 1,000 0 Gulf

ARROW POOL  
MARCH NOMINATIONS 96,219  
LESS JAN. UNDERAGE 11,686  
MARCH CUR. ALLOW. 85,433

CONTINENTAL OIL CO.  
Lockhart B-1 6 F 1-22-36 160 1.00 33,848 2,752 31,096 25,959 57,055 21,358 Cont.

GULF OIL CORP.  
Mattern H.T. A 1 O 24-21-36 160 1.00 33,848 22,589 11,259 25,959 37,218 21,358 Gulf  
Ramsey B 2 E 25-21-36 160 1.00 33,848 42,765 8,917 25,959 17,042 21,358 Gulf

SINCLAIR OIL & GAS CO.  
Brownlee 4 N 25-21-36 160 1.00 33,848 55,600 21,752 25,959 4,207 21,358 E.P.

POOL TOTALS 4 640 4.00 135,392 123,706 30,669 42,355 103,836 115,522 85,432

BLINERY POOL  
MARCH NOMINATIONS 974,356  
PLUS JAN. OVERAGE 222,752  
MARCH CUR. ALLOW. 1,197,108

AMERADA PET. CORP.  
State DA 4 I 16-21-37 80 .50 15,575 11,499 4,076 17,649 21,725 19,154 P.B.

AZTEC OIL & GAS CO.  
Daunon 2 A 10-21-37 40 .25 7,788 27,519 19,731 8,825 -10,906 9,577 S.U.

CITIES SERVICE OIL CO.  
State S 1 E 15-21-37 80 .50 15,575 30,511 14,936 17,649 2,713 19,154 E.P.

BLINDEBY POOL CONT'D													
OPERATOR	WELL NO.	S.T.R.	NO. ACRES	FACTOR	JAN. ALLOW.	JAN. PROD.	OVER	UNDER	FEB. CUR. ALLOW.	FEB. NET ALLOW.	MARCH CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	Lockhart B-11	8 0	11-21-37	160	1.00	31,150	3,967	27,183	35,298	62,481	38,307		E.P.
GULF OIL CORP.	Vivian Eubank	5 D 4 H	30-22-38 22-21-37	160 160	1.00 N.C.	31,150 N.C.	73,58 0	23,792	35,298 0	59,090 0	38,307 0		E.P. P.B.
HUMBLE OIL & REG. CO.	Hardison N.M.St. S	4 B 12 A 21 L	34-21-37 2-22-37 "	160 160 160	N.C. N.C. N.C.	N.C. N.C. N.C.	0 0 0		0 0 0	0 0 0	0 0 0		E.P. E.P. E.P.
Penrose	1 B	13-22-37	160	1.00	31,150	34,532	3,382		35,298	31,916	38,307		E.P.
MAGNOLIA PET. CO.	Brunson Argo	6 E	10-22-37	160	1.00	2,009	2,847	838	35,298	34,460	38,307	1-30	P.D.
Carson, E.O.	8 F	33-21-37	160	1.00	17,083	16,113		970	35,298	36,258	38,307	1-15	P.B.
Corrigan, H.	7 F	33-21-37	120	N.C.	N.C.	0			0	0	0		P.B.
Long, S.E.	8 J	11-22-37	160	1.00	31,150	66,738	35,588		35,298	- 290	38,307		P.B.
Marshall Unit	3 D	34-21-37	160	N.C.	N.C.	0			0	0	0		P.B.
Williamson	1 A	23-21-37	40	.25	7,788	41,854	34,066		8,825	-25,241	9,577		P.B.
MARKHAM, CONE & REDFERN	Eubanks	1 M	14-21-37	160	1.00	31,150	36,804	5,654	35,298	29,644	38,307		E.P.
MORAN, E. F.	Owen	2 D	14-21-37	160	1.00	31,150	50,473	19,323	35,298	15,975	38,307		E.P.
OHIO OIL CO.	Marshall B	4 L	27-21-37	160	1.00	N.C.	0		3,780	3,730	38,307	2-26	P.B.
Muncy	3 N	24-22-37	80	.50	15,575	23,242	12,667		17,649	4,982	19,154		E.P.
Warlick C	2 O	15-21-37	160	1.00	31,150	33,018	1,868		35,298	33,430	38,307		P.B.
Worham	12 H	11-22-37	160	1.00	31,150	63,902	32,752		35,298	2,546	38,307		P.B.
OLSEN, R. OIL CO.	Boyd	2 H	23-22-37	160	1.00	31,150	52,094	20,944	35,298	14,354	38,307		E.P.
Danglade	1 L	13-22-37	80	.50	N.C.	0			4,412	4,412	19,154	2-22	E.P.
Drinkard	1 C	25-22-37	120	.75	23,363	57,904	34,541		26,474	- 8,067	28,730		E.P.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-D

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF APRIL 1954

---

The Commission held public hearing at Santa Fe, New Mexico, on March 17, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of April, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis,  
Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed nine gas pools for the month of April, 1954, is 5,698,343 MCF. The individual pool nominations, which total 5,698,343 MCF, are as follows:

Amanda	0
Arrow	74,075
Blinebry	450,311
Byers-Queen	20,340
Eumont	2,401,924
Jalco	1,337,699
Justis	25,970
Langmat	1,397,558
Tubb	498,866

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated, and distributed during the month of April, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 5,698,343 MCF without causing waste during the month of April 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of April 1954, the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Amanda	0
Arrow	74,075
Blinebry	450,311
Byers-Queen	20,340
Eumont	2,401,924

Jalco	1,337,699
Justis	25,970
Langmat	1,397,558
Tubb	498,866

(2) That the allocation hereby set for the month of April in the nine allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, incl., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted, for the month of April 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 22nd day of March, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)

ARROW POOL  
APRIL NOMINATIONS 74,075  
LESS FEB. UNDERAGE 16,531  
APRIL CUR. ALLOW. 57,544

OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	FEB. NET ALLOW.	FEB. PROD.	OVER	UNDER	MARCH CUR. ALLOW.	MARCH NET ALLOW.	APRIL CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO. Lockhart B-1	6 P	1-22-36	160	1.00	57,055	4,115		52,940	21,358	74,298	14,386		Cont.
GULF OIL CORP. Mattern H.T. A	1 O	24-21-36	160	1.00	37,213	15,290		21,923	21,358	43,286	14,386		Gulf
Casey B	2 E	25-21-36	160	1.00	17,042	48,006	30,964		21,358	-9,606	14,386		Gulf
SINCLAIR OIL & GAS CO. Brownlee	4 N	25-21-36	160	1.00	4,207	31,580	27,373		21,358	-6,015	14,386		E.P.
POOL TOTALS				4.00	115,522	98,991	58,337	74,868	85,432	101,963	57,544		

BLINBERRY POOL  
APRIL NOMINATIONS 450,311  
LESS FEB. UNDERAGE 130,242  
APRIL CUR. ALLOW. 320,069

AMERADA PET. CORP. State DA Walden	4 I 7 N	16-21-37 15-22-37	80 160	.50 N.C.	21,725 N.C.	9,560 N.C.		12,165	19,154 N.C.	31,319 N.C.	4,742 N.C.		P.B. P.B.
AEC OIL & GAS CO. Deuron	2 A	10-21-37	40	.25	-10,906	22,073	32,979		9,577	-23,402	2,371		S.U.
CITIES SERVICE OIL CO. State S	1 E	15-21-37	80	.50	2,713	6,315	3,602		19,154	15,552	4,742		E.P.
CONTINENTAL OIL CO. Lockhart B-11	8 O	11-21-37	160	1.00	62,481	16,475		46,006	38,307	84,313	9,484		E.P.
GULF OIL CORP. Vivian Eubank	5 D 4 H	30-22-38 22-21-37	160 160	1.00 1.00	59,090 N.C.	23,231 N.C.		35,859	38,307 27,186	74,166 27,186	9,484 9,484	3-10	E.P.&G P.B.

## BLINERRY POOL CONT'D

OPERATOR	WELL	NO.	FEB.	FEB.	OVER	UNDER	MARCH	MARCH	APRIL	DATE	PIPE
LEASE	UNIT S.T.R.	ACRES	NET	PROD.			CUR.	NET	CUR.	FIRST	LINE
			ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
HUMBLE OIL & REG. CO.											
Harrison	4 B	34-21-37	160	N.C.	N.C.		0	N.C.	N.C.		E.P.
N.M.St. S	12 A	2-22-37	160	N.C.	N.C.		0	N.C.	N.C.		E.P.
N.M.St. S	21 L	"	160	N.C.	N.C.		0	N.C.	N.C.		E.P.
Penrose	1 B	13-22-37	160	1.00	31,916	3,673	38,307	66,550	9,484		E.P. 2H
MAGNOLIA PET. CO.											
Brunson Argo	6 E	10-22-37	160	1.00	34,460	57,284	33,307	15,483	9,484		P.B.
Carrson, E.O.	8 F	33-21-37	160	1.00	36,268	27,205	33,307	47,370	9,484		P.B.
Corrigan, H.	7 P	33-21-37	120	N.C.	N.C.		0	N.C.	N.C.		P.B.
Long, S. E.	8 J	11-22-37	160	1.00	- 290	16,643	38,307	21,369	9,484		P.B.
Marshall Unit	3 D	34-21-37	160	1.00	N.C.	N.C.	34,599	34,599	9,484		P.B.
Williamson	1 A	23-21-37	40	.25	-25,241	4,373	9,577	-20,037	2,371	3-4	P.B.
MARKHAM, CONE & REDFERN											
Edwards	1 M	14-21-37	160	1.00	29,644	7,754	38,307	60,197	9,484		E.F. & G
MTD-CONTINENT PET. CORP.											
State-15	3 O	16-21-37	80	N.C.	N.C.		N.C.	N.C.	N.C.		P.B.
MORAN, E. F.											
Owen	2 D	14-21-37	160	1.00	15,975	8,435	38,307	45,847	9,484		E.P.
OHIO OIL CO.											
Marshall B	4 L	27-21-37	160	1.00	3,780	4,675	33,307	37,412	9,484	2-26	P.B.
Muncy, J.L.	3 N	24-22-37	80	.50	4,982	36,959	19,154	-12,823	4,742		P.B.
Warlick C	2 O	15-21-37	160	1.00	33,430	30,612	38,307	41,125	9,484		P.B.
Owen	2 M	35-21-37	160	N.C.	N.C.		N.C.	N.C.	N.C.		P.B.
Wortham	12 H	11-22-37	160	1.00	2,546	14,702	38,307	26,151	9,484		P.B.
OLSEN, R. OIL CO.											
Boyd	2 H	23-22-37	160	1.00	14,354	11,492	38,307	41,169	9,484		E.F.
Danglade	1 L	13-22-37	80	.50	4,412	10,171	19,154	13,395	4,742	2-22	E.P.
Drinkard	1 C	25-22-37	120	.75	-8,067	8,919	28,730	11,744	7,113		E.P.
Sims	1 F	25-22-37	40	.25	-35,573	6,049	9,577	-32,045	2,371		E.P.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-E

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF MAY, 1954

The Commission held public hearing at Santa Fe, New Mexico, on April 15, 1954, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of May, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis  
Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed nine gas pools for the month of May, 1954, is 6,329,093 MCF. The individual pool nominations, which total 6,329,093, are as follows:

Amanda	0
Arrow	77,210
Blinebry	620,513
Byers-Queen	20,360
Eumont	3,115,332
Jalco	963,170
Justis	5,661
Langmat	808,339
Tubb	718,508

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated, and distributed during the month of May, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 6,329,093 MCF without causing waste during the month of May, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of May, 1954, the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Amanda	0
Arrow	77,210
Blinebry	620,513
Byers-Queen	20,360
Eumont	3,115,332
Jalco	963,170
Justis	5,661



Langmat	808,339
Tubb	718,508

{2} That the allocation hereby set for the month of May in the nine allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, incl., and the Commission's Rules and Regulations.

{3} A proration schedule, duly prepared by the Commission and thereafter adopted, for the month of May, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 16th day of April, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

{SEAL}

NOTE: S.I. Indicates that the well is overproduced beyond the Maximum Allowed and must be Shut-In.

ARROW POOL

MAY NOMINATIONS  
LESS MAR. UNDERAGE 77,210  
MAY CUR. ALLOW. 13,381  
63,829

OPERATOR	WELL	UNIT	S. I. R.	NO.	ACRES	FACTOR	MAR. NET. ALLOW.	MAR. PROD.	OVER	UNDER	APRIL CUR. ALLOW.	APRIL NET. ALLOW.	MAY CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	Lockhart B-1	6 P	1-22-36	160	1.00	74,298	4,410	69,888	14,386	84,274	15,957	Cont.			
GULF OIL CORP.	Western H.T. A	1 O	24-21-36	160	1.00	43,286	20,179	23,107	14,386	37,493	15,957	Gulf			
ay B	2 E	25-21-36	160	1.00	-9,606	51,174	60,780	14,386	-46,394	15,957		Gulf			
SINCLAIR OIL & GAS CO.	Brownlee	4 N	25-21-36	160	1.00	-6,015	12,819	18,834	14,386	-4,448	15,957	E.P.			
POOL TOTALS				4.00	101,963	88,582	79,614	92,995	57,544	70,925	63,828				
FLINERBY POOL															
MAY NOMINATIONS 620,513															
LESS MAR. UNDERAGE 536,724															
MAY CUR. ALLOW. 83,789															
AMERADA PET. CORP.	State DA	4 I	16-21-37	80	.50	31,319	17,198	14,121	4,742	16,863	1,125	P.B.			
Walden	7 N	15-22-37	160	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	P.B.			
Wood	10 H	22-22-37	160	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	N.C.	P.B.			
JO OIL & GAS CO.	2 A	10-21-37	40	.25	-23,402	31,118	54,520	2,371	-52,149	562	S.U.				
CITIES SERVICE OIL CO.	State S	1 E	15-21-37	80	.50	15,552	16,359	807	4,742	3,935	1,125	E.P.			
CONTINENTAL OIL CO.	Lockhart B-11	8 O	11-21-37	160	1.00	84,313	20,116	64,197	9,484	73,681	2,249	E.P.			
GULF OIL CORP.	Amanda	1 J	25-22-37	120	.75	N.C.	N.C.	2,812	2,371	2,371	1,687	Gulf			
Eubank	4 H	22-21-37	160	1.00	27,186	29,998	2,812	9,484	6,672	2,249	P.B.				
King	9 G	28-21-37	160	N.C.	N.C.	N.C.	N.C.	(1)	N.C.	N.C.	N.C.	P.B.			

BLINERY POOL CONT'D											
OPERATOR	WELL	NO.	MAR.	MAR.	OVER	UNDER	APRIL	APRIL	MAY	DATE	PIPE
LEASE	UNIT S.T.R.	ACRES	NET	PROD.			CUR.	NET	CUR.	FIRST	LINE
GULF OIL CONT'D			ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
Leonard E	4 A 16-21-37	160	1.00	N.C.	N.C.		1,581	1,581	2,249	4-26	P.B.
Vivian	5 D 30-22-38	160	1.00	74,166	10,571	63,595	9,484	73,079	2,249		EE&G
HUMBLE OIL & RFG.											
Hardison	4 B 34-21-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
M.M.St. S	12 A 2-22-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
M.M.St. S	21 L "	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
Penrose	1 B 13-22-37	160	1.00	66,550	30,099	36,451	9,484	45,935	2,249		E.P.
MAGNOLIA PET. CO.											
Erinson Argo	6 E 10-22-37	160	1.00	15,483	22,894	7,411	9,484	2,073	2,249		P.B.
erson, E.O.	8 F 33-21-37	160	1.00	47,370	24,779	22,591	9,484	32,075	2,249		P.B.
Corrigan, H.	7 P 33-21-37	120	.75	N.C.	N.C.		5,927	5,927	1,687	4-6	P.B.
Long, S.E.	8 J 11-22-37	160	1.00	21,369	11,254	10,115	9,484	19,599	2,249		P.B.
Marshall Unit	3 D 34-21-37	160	1.00	34,599	30,171	4,428	9,484	13,912	2,249	3-4	P.B.
Williamson	1 A 23-21-37	40	.25	-20,037	663	20,700	2,371	-18,329	562		P.B.
MARKHAM, CONE & REDFEEN											
Shanks	1 M 14-21-37	160	1.00	60,197	20,329	39,868	9,484	49,352	2,249		EE&G
MID-CONTINENT PET. CORP.											
State-15	3 O 16-21-37	80	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
MORAN, E. F.											
Owen	2 D 14-21-37	160	1.00	45,847	14,857	30,990	9,484	40,474	2,249		
OHIO OIL CO.											
Lynch, Walter	4 D 1-22-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
Marshall B	4 L 27-21-37	160	1.00	37,412	29,608	7,804	9,484	17,288	2,249		P.B.
Muney, J.L.	3 N 24-22-37	80	.50	-12,823	15,752	28,575	4,742	-23,833	1,125		E.P.
Warlick C	2 O 15-21-37	160	1.00	41,125	22,749	18,376	9,484	27,860	2,249		P.B.
Owen	2 M 35-21-37	160	1.00	N.C.	N.C.		4,742	4,742	2,249	4-16	P.B.
Worham	12 H 11-22-37	160	1.00	26,151	17,830	8,321	9,484	17,805	2,249		P.B.
OLSEN, R. OIL CO.											
Boyd	2 H 23-22-37	160	1.00	41,169	9,003	32,166	9,484	41,650	2,249		E.P.
					(2)						

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-1-F

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JUNE, 1954

---

The Commission held public hearing at Santa Fe, New Mexico, on May 19, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in Lea County, New Mexico, for the month of June, 1954:

Amanda, Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis,  
Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed nine gas pools for the month of June, 1954, is 4,867,964 MCF. The individual pool nominations, which total 4,867,964, are as follows:

Amanda	0
Arrow	64,259
Blinebry	430,327
Byers-Queen	19,740
Eumont	2,432,696
Jalco	544,779
Justis	18,388
Langmat	823,746
Tubb	534,029

(2) The potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine gas pools should be limited, allocated, and distributed during the month of June, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 4,867,964 MCF without causing waste during the month of June, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of June, 1954, the total allowable production to be assigned the nine allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Amanda	0
Arrow	64,259
Blinebry	430,327
Byers-Queen	19,740
Eumont	2,432,696

Jalco	544,779
Justis	18,388
Langmat	823,746
Tubb	534,029

(2) That the allocation hereby set for the month of June in the nine allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, inc., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of June, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico this 19th day of May, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)

NOTE: S.I. means that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL  
\* Indicates Marginal wells

June nominations 64,259  
Less April Underage 7,364  
June Current Allow. 56,895

OPERATOR	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	APRIL NET ALLOW.	APRIL PROD.	OVER	UNDER	MAY CUR. ALLOW.	MAY NET ALLOW.	JUNE CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	Lockhart B-1	6 P	1-22-36	160	1.00	84,274	3,837	80,437	15,957	96,394	14,224		Cont.

GULF OIL CORP.	Mattern, H.T. A	1 O	24-21-36	160	1.00	37,493	9,808	27,685	15,957	43,642	14,224		Gulf
Ramsey B	2 E	25-21-36	160	1.00	-46,394	38,010	84,404		15,957	-68,447	14,224		Gulf

SUN-LAIR OIL & GAS CO.	Brownlee	4 N	25-21-36	160	1.00	-4,448	11,906	16,354	15,957	- 397	14,224		E.P.
POOL TOTALS					4.00	70,925	63,561	108,122 (7,364)	63,828	71,192	56,896		

BLINERY POOL

June Nominations 430,327  
Less April Underage 425,735  
June Current 4,592  
Plus April Underage 106,433  
Held in Abeyance 111,025  
Revised June Cur. 111,025  
Total Non-Marginal Alloc. 111,025

AMERADA PET. CORP.	De DA	4 I	16-21-37	160	1.00	75,983	18,812	57,171	2,249	59,420	2,708		P.B.
Wood	7 N	15-22-37	160	N.C.	N.C.		N.C.		N.C.	N.C.	N.C.		P.B.
Baker A.E.	10 H	22-22-37	160	N.C.	N.C.		N.C.		N.C.	N.C.	N.C.		P.B.
	3 I	10-22-37	80	N.C.	N.C.		N.C.		N.C.	N.C.	N.C.		P.B.

AZTEC OIL & GAS CO.	Deuron	2 A	10-21-37	40	.25	-52,149	15,901	68,050	562	-67,488	677	(S.I.)	S.H.
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CITIES SERVICE OIL CO.	State S	1 E	15-21-37	80	.50	3,935	4,265	330	1,125	795	1,354		E.P.
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BLINEREX POOL CONT'D

OPERATOR	WELL	NO.	FACTOR	APRIL	APRIL	OVER	UNDER	MAY	MAY	JUNE	DATE	PIPE
LEASE	UNIT	S.T.R.	ACRES	NET	PROD.			CUR.	NET	CUR.	FIRST	LINES
				ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
CONTINENTAL OIL CO.												
Lochart B-11	8 O	11-21-37	160	1.00	73,681	16,594	57,087	2,249	59,336	2,708		E.P.
GULF OIL CORP.												
Amanda	1 J	25-22-37	120	.75	2,371	0	2,371	1,687	4,058	2,031	4-21	Gulf
Eubank	4 H	22-21-37	160	1.00	6,672	20,728		2,249	-11,807	2,708		P.B.
King	9 G	28-21-37	160	N.C.	N.C.	14,056		N.C.	N.C.	N.C.		P.B.
Leonard E	4 A	16-21-37	160	1.00	1,581	6,729	5,148	2,249	-2,899	2,708	4-26	P.B.
Owen, Mark	6 O	34-21-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
Vivian	5 D	30-22-38	160	1.00	73,079	40,905	32,174	2,249	34,423	2,708		P.B.
HUMBLE OIL & REFINING CO.												
Hardison	4 B	34-21-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
N. M. St. S	12 A	2-22-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
"	14 C	"	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
"	21 L	"	160	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
Penrose	1 B	13-22-37	160	1.00	45,935	9,019	36,916	2,249	39,165	2,708		E.P.
MAGNOLIA PETROLEUM CO.												
Brinson Argo	6 E	10-22-37	160	1.00	2,073	8,142	6,069	2,249	-3,820	2,708		P.B.
Carson, E.O.	8 F	33-21-37	160	1.00	32,075	21,777	10,298	2,249	12,547	2,708		P.B.
Cortright, H.	7 P	33-21-37	120	.75	5,927	1,899	4,028	1,687	5,715	2,031	4-6	P.B.
Long, S.E.	8 J	11-22-37	160	1.00	19,599	18,937	662	2,249	2,911	2,708		P.B.
Marshall, Unit	3 D	34-21-37	160	1.00	13,912	13,440	472	2,249	2,721	2,708		P.B.
Williamson	1 A	23-21-37	40	.25	-18,329	1,657	19,986	562	-19,424	677		P.B.
MARKAM, CONE & REDFERN												
Eubanks	1 M	14-21-37	160	1.00	49,352	2,200	47,152	2,249	49,401	2,708		E.P.
MID-CONTINENT PET. CORP.												
State-15	3 O	16-21-37	160	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
MORAN, E. F.												
Owen	2 D	14-21-37	160	1.00	40,474	14,169	26,305	2,249	28,554	2,708		E.P.
OHIO OIL CO.												
Lynch, Walter	4 D	1-22-37	160	N.C.	N.C.	(2)		N.C.	N.C.	N.C.		P.B.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2

GAS PRORATION ORDER  
FOR PERIOD JULY 1, 1954 THROUGH DECEMBER 31, 1954

The Commission held public hearing at Santa Fe, New Mexico on May 25, 1954 at 9 o'clock a. m., pursuant to legal notice for the purpose of setting the allowable production of gas from the following nine (9) gas pools in Lea County, New Mexico for the six month period, July 1, 1954 through December 31, 1954:

Amanda, Arrow, Blinebry, Byers-Queen,  
Eumont, Jalco, Justis, Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed nine (9) gas pools for the period July 1, 1954 through December 31, 1954 is 52,698,288 MCF. The individual pool nominations, which total 52,698,288 MCF, are as follows:

AMANDA	-0-
ARROW	657,276
BLINEBRY	5,894,942
BYERS-QUEEN	25,236
EUMONT	19,312,086
JALCO	6,909,350
JUSTIS	203,494
LANGMAT	12,985,400
TUBB	6,710,504

(2) The potential producing capacity of all gas wells in the nine (9) gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed nine (9) gas pools should be limited and allocated and distributed during the six month proration period commencing July 1, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine (9) gas pools listed above can produce a total of 52,698,288 MCF without causing waste within the six month proration period commencing July 1, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the six month proration period commencing July 1, 1954 the total allowable production to be assigned the nine (9) allocated gas pools in Lea County be and the same hereby is as follows:



AMANDA	-0-
ARROW	657,276
BLINEBRY	5,894,942
BYERS-QUEEN	25,236
EUMONT	19,312,086
JALCO	6,909,350
JUSTIS	203,494
LANGMAT	12,985,400
TUBB	6,710,504

(2) The allocation hereby set for said six month proration period in the nine (9) allocated pools in Lea County, New Mexico shall be in accordance with Orders Nos. 368-A through 376-A inclusive, and the Commission's Rules and Regulations.

(3) The total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A", attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers supplemental nominations and actual gas production, in accordance with Orders Nos. 368-A through 376-A inclusive.

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

DONE at Santa Fe, New Mexico, this 27th day of May, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

SEAL

SCHEDULE "A"

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
AMANDA	-0-	-0-	-0-	-0-	-0-	-0-	-0-
ARROW	102,060	105,362	103,771	106,183	114,053	125,847	657,276
BLINEBRY	498,999	602,462	718,025	782,555	1,479,050	1,813,851	5,894,942
BYERS-QUEEN	3,046	3,046	3,426	4,346	5,176	6,196	25,236
EUMONT	2,336,246	2,442,177	2,584,246	2,847,603	4,285,101	4,816,713	19,312,086
JALCO	531,443	757,114	872,427	832,626	1,637,700	2,278,040	6,909,350
JUSTIS	16,786	23,392	26,680	25,034	47,242	64,360	203,494
LANGMAT	830,642	1,311,623	1,559,376	1,482,769	3,231,323	4,569,667	12,985,400
TUBB	764,654	815,577	889,707	971,352	1,527,512	1,741,702	6,710,504
TOTAL							52,698,288

All figures in MCF @ 60° F. & 15.025 P.S.I.A.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER No. AG-2-A

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JULY 1954

---

The Commission held public hearing at Santa Fe, New Mexico, on June 16, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following eight gas pools in Lea County, New Mexico, for the month of July, 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalco,  
Justis, Langmat and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed eight gas pools for the month of July, 1954, is 7,719,948 MCF. The individual pool nominations, which total 7,719,948, are as follows:

Arrow	111,232 MCF
Blinebry	751,312
Byers-Queen	6,546
Eumont	2,631,500
Jalco	1,183,014
Justis	31,600
Langmat	2,186,556
Tubb	818,188

(2) The potential producing capacity of all gas wells in the eight gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed eight gas pools should be limited, allocated, and distributed during the month of July, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the eight gas pools listed above, can produce a total of 7,719,948 MCF without causing waste during the month of July, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of July, 1954, the total allowable production to be assigned the eight allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	111,232 MCF
Blinebry	751,312
Byers-Queen	6,546
Eumont	2,631,500
Jalco	1,183,014

Justis	31,600
Langmat	2,186,556
Tubb	818,188

(2) That the allocation hereby set for the month of July in the eight allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, inc., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of July, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the eight gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 17th day of June, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

NOTE: S.I. Means that the well is over produced beyond the allowed tolerance and must be shut in.

\* Indicates Marginal wells

ARROW POOL

JULY Nominations 111,232  
Less May Underage 27,187  
July Current Allow. 84,045

OPERATOR	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	MAY NET ALLOW.	MAY PROD.	OVER	UNDER	JUNE CUR. ALLOW.	JUNE NET ALLOW.	JULY CUR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	96,394	3,831		92,563	14,224	10,6787	21,011		Cont.
Lockhart B-1													
GULF OIL CORP.	1 O	24-21-36	160	1.00	43,642	- 0 -		43,642	14,224	57,866	21,011		Gulf
Mattern, H.T. A	2 E	25-21-36	160	1.00	-68,447	37,343	105,790		14,224	-91,566	21,011		Gulf
Ramsey B													
SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	- 397	2,831	3,228	136,205 (27,187)	14,224	10,996	21,011		E.P.
Bramblee													
POOL TOTALS				4.00	71,192	44,005	109,018		56,896	84,083	84,044		

BLINBERRY POOL

JULY Nominations 751,312  
Less May Underage 298,918  
July Current Allow. 452,394

AMERADA PET. CORP.	4 I	16-21-37	160	1.00	59,419	21,556		37,863	2,708	40,571	8,914		P.B.
State DA	7 N	15-22-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
Walden	10 H	22-22-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
Wood	3 I	10-22-37	80	.50	N.C.	N.C.			587	587	4,457	6-18	P.B.
Baker, A.E.													
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	19,877	25,763	5,886		2,708	-3,178	8,914	S.I.	S.U.
Duron													
CITIES SERVICE OIL CO.	1 E	15-21-37	80	.50	795	242		553	1,354	1,907	4,457		E.P.
State S													
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	59,336	6,787		52,549	2,708	55,257	8,914		E.P.
Lockhart B-11													
GULF OIL CORP.	1 J	25-22-37	120	.75	4,058	2,385		1,673	2,031	3,704	6,686		Gulf
Amada													

BLINDEBT POOL CONT'D												
OPERATOR	WELL	S.T.R.	NO.	MAY	MAY	OVER	UNDER	JUNE	JUNE	JULY	DATE	PIPE
LEASE	UNIT		ACRES	NET	PROD.			CUR.	NET	CUR.	FIRST	LINE
GULF OIL CONT'D				ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
Eubank	4 H	22-21-37	160	1.00	-11,807	5,651	17,458	2,708	-14,750	8,914		P.B.
King	9 G	28-21-37	160	1.00	N.C.	N.C.		1,805	1,805	8,914	6-11	P.B.
Leonard E	4 A	16-21-37	160	1.00	-2,899	9,816	12,715	2,708	-10,007	8,914		P.B.
Owen, Mark	6 O	34-21-37	160	1.00	N.C.	N.C.		271	271	8,914	6-28	P.B.
Vivian	5 D	30-22-38	160	1.00	34,423	6,248		2,708	30,883	8,914		P.B.
Eaves	6 A	10-22-37	160	1.00	N.C.	N.C.		271	271	8,914	6-28	P.B.
HUMBLE OIL & RFG. CO.												
Hardison	4 B	34-21-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.		E.P.
N.M. St. S	12 A	2-22-37	160	1.00	N.C.	N.C.		1,264	1,264	8,914	6-17	E.P.
"	14 C	"	160	1.00	N.C.	N.C.		1,264	1,264	8,914	6-17	E.P.
"	21 L	"	160	1.00	N.C.	N.C.		1,264	1,264	8,914	6-17	E.P.
Penrose	1 B	13-22-37	160	1.00	39,165	3,304		2,708	38,569	8,914		EP&H
MAGNOLIA PET. CO.												
Brunson Argo	6 E	10-22-37	160	1.00	-3,820	16,960	20,780	2,708	-18,072	8,914		P.B.
Carson, E.O.	8 F	33-21-37	160	1.00	12,547	20,920	8,373	2,708	-5,665	8,914		P.B.
Corrigan, H.	7 F	33-21-37	120	.75	5,715	7,300	1,585	2,031	446	6,686		P.B.
Long, S.E.	8 J	11-22-37	160	1.00	2,911	12,732	9,821	2,708	-7,113	8,914		P.B.
Marshall Unit	3 D	34-21-37	160	1.00	2,721	7,603	4,882	2,708	-2,174	8,914		P.B.
Williamson	1 A	23-21-37	40	.25	-19,424	846	20,270	677	-19,593	2,229		P.B.
MARKHAM, CONE & REDFERN												
Eubanks	1 M	14-21-37	160	1.00	49,401	7,226		2,708	44,883	8,914		EP&G
MID CONTINENT PET. CORP.												
State-15	3 O	16-21-37	160	1.00	N.C.	N.C.		2,166	2,166	8,914	6-7	P.B.
MORAN, E. F.												
Owen	2 D	14-21-37	160	1.00	28,554	2,323		2,708	28,939	8,914		E.P.
OHIO OIL CO.												
Lynch, Walter	4 D	1-22-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.		P.B.
Marshall B	4 L	27-21-37	160	1.00	-3,278	12,322	15,600	2,708	-12,892	8,914		P.B.
Muney, J.L.	3 N	24-22-37	80	.50	-29,222	204	29,426	1,354	-28,072	4,457		E.P.
Merlick C	2 O	15-21-37	160	1.00	2,824	11,129	8,305	2,708	-5,597	8,914		P.B.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2-B

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH OF  
AUGUST, 1954

The Commission held public hearing at Santa Fe, New Mexico, on July 15, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following eight gas pools in Lea County, New Mexico, for the month of August, 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalco, Justis, Langmat and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed eight gas pools for the month of August, 1954, is 7,900,079 MCF. The individual pool nominations, which total 7,900,079, are as follows:

Arrow	111,586 MCF
Blinebry	770,023
Byers-Queen	25,546
Eumont	2,612,627
Jalco	1,216,804
Justis	32,310
Langmat	2,241,405
Tubb	889,778

(2) The potential producing capacity of all gas wells in the eight gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed eight gas pools should be limited, allocated, and distributed during the month of August, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the eight gas pools listed above, can produce a total of 7,900,079 MCF without causing waste during the month of August, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of August, 1954, the total allowable production to be assigned the eight allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	111,586 MCF
Blinebry	770,023
Byers-Queen	25,546
Eumont	2,612,627
Jalco	1,216,804
Justis	32,310
Langmat	2,241,405
Tubb	889,778

(2) That the allocation hereby set for the month of August in the eight allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-368-A through R-376-A, inc., and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of August, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the eight gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive.

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

DONE at Santa Fe, New Mexico, this 15th day of July, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)



ARROW POOL

\*Indicates Marginal Wells

August Nominations	111,586	
Less June Underage	49,483	
	<u>62,103</u>	
July Nominations		62,103
Less July Current Allow.	111,232	
	<u>84,044</u>	
August Current Allocation		27,168
		<u>89,291</u>

OPERATOR	WELL	NO.	JUNE	JUNE	OVER	UNDER	JULY	JULY	AUGUST	DATE	PIPE
LEASE	UNIT	ACRES	NET	PROD.			CURR.	NET	CURR.	FIRST	LINE
CONVENTIONAL OIL CO.	S.T.R.		ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
Lockhart B-1	6 P	1-22-36	160	1.00	106,787	3,873	102,914	21,011	123,925	22,323	
GULF OIL CORP.											
Matterson, H.T., A	1 O	21-21-36	160	1.00	57,866	- 0 -	57,866	21,011	78,877	22,323	Cont
Ramsey B	2 E	25-21-36	160	1.00	- 91,566	15,187	106,753	21,011	85,742	22,323	
SINCLAIR OIL & GAS CO.											
Brownlee	4 N	25-21-36	160	1.00	10,996	15,540	4,544	21,011	25,455	22,323	Gulf
POOL TOTALS				4.00	84,083	34,600	111,297	160,780 (49,483)	313,999	89,292	E. P.

BLINERRY POOL,

July Non-Marg. Ans	751,312	283,043
Less July Curr. Allow.	<u>468,269</u>	1,267,622
August Curr. Allocation		<u>7,750</u>
Less Marg. Allocation		<u>1,259,872</u>
Total Non-Marg. Alloc.		
July Non-Marg. Ans	770,023	984,579
Plus June Overage	<u>214,556</u>	340
23,549		
N.C.		P. B.
N.C.		P. B.
N.C.		P. B.
N.C.		P. B.
11,775		
- 12,651		

(2)

BLINNEY POOL CONT'D.

OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	JUNE NET ALLOW.	JUNE PROD.	OVER	UNDER	JULY CURR. ALLOW.	JULY NET ALLOW.	AUGUST CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	- 3,178	20,690	23,868		8,914	- 14,954	23,549		S. U.
CITIES SERVICE OIL CO.	1 E	15-21-37	80	.50	1,907	3,391	1,484		4,457	2,973	11,775		E. F.
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	55,257	13,960		41,297	8,914	50,211	23,549		E. F.
GULF OIL CORP.	1 J	25-22-37	120	.75	3,704	5,989	2,285		6,686	4,401	17,662		Gulf
	4 H	22-21-37	160	1.00	- 14,750	17,703	32,453		8,914	- 23,539	23,549		P. B.
	9 G	28-21-37	160	1.00	1,805	26,350	24,545		8,914	- 15,631	23,549		P. B.
	4 A	16-21-37	160	1.00	- 10,007	16,752	26,759		8,914	- 17,845	23,549		P. B.
	6 O	34-21-37	160	1.00	271	3,043	2,772		8,914	6,142	23,549		P. B.
	5 D	30-22-38	160	1.00	30,883	1,767		29,116	8,914	38,030	23,549		EP&G
	6 A	10-22-37	160	1.00	271	3,916	3,645		8,914	5,269	23,549		P. B.
HUMBLE OIL & REFINING CO.	4 B	34-21-37	160	N.C.	N.C.	N.C.	6,063		N.C.	N.C.	N.C.		E. P.
	12 A	2-22-37	160	1.00	1,264	7,327	3,764		8,914	2,851	23,549		E. P.
	14 C	"	160	1.00	1,264	5,028	3,764		8,914	5,150	23,549		E. P.
	21 L	"	160	1.00	1,264	6,478	5,214		8,914	3,700	23,549		E. P.
	1 B	13-22-37	160	1.00	38,569	12,850		25,719	8,914	34,633	23,549		EP&G
MAGNOLIA PETROLEUM CO.	6 E	10-22-37	160	1.00	- 18,072	11,917	29,989		8,914	- 21,075	23,549		P. B.
	8 F	33-21-37	160	1.00	- 5,665	4,620	10,285		8,914	- 1,371	23,549		P. B.
	7 P	33-21-37	120	.75	446	2,734	2,288		6,680	4,392	17,662		P. B.
	8 J	11-22-37	160	1.00	7,113	19,020	26,133		8,914	- 17,219	23,549		P. B.
	3 D	34-21-37	160	1.00	- 2,174	10,818	12,992		8,914	- 4,078	23,549		P. B.
	1 A	23-21-37	40	.25	- 19,593	4,143	23,736		2,229	- 21,507	5,887		P. B.
MARKHAM, CONE & REDFERN	1 M	14-21-37	160	1.00	44,883	31,461		13,422	8,914	22,336	23,549		EP&G

(2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2-C

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF SEPTEMBER, 1954

The Commission held public hearing at Santa Fe, New Mexico, on August 18, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of September, 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed seven gas pools for the month of September, 1954, is 8,424,012 MCF. The individual pool nominations, which total 8,424,012, are as follows:

Arrow	109,190 MCF
Blinebry	792,319
Byers-Queen	11,726
Eumont	2,728,504
Jalmat	3,876,449
Justis	30,619
Tubb	875,205

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of September, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 8,424,012 MCF without causing waste during the month of September, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of September, 1954, the total allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	109,190
Blinebry	792,319
Byers-Queen	11,726
Eumont	2,728,504
Jalmat	3,876,449
Justis	30,619
Tubb	875,205

(2) That the allocation hereby set for the month of September in the seven allocated pools in Lea County, New Mexico, shall be in accordance with provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of September, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 19th day of August, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member & Secretary

S E A L

NOTE: S.I. Indicates that the well is over produced beyond the allowed tolerance and must be Shut In.

\* Indicates Marginal Wells

September Nominations	109,190
Less July Underage	-273,193
August Nominations	111,586
Less Aug. Curr. Allow.	-89,292
September Current Allocation	22,294
	-141,709
	-164,003

PLATE	WELL	S.I.R.	NO.	FACTOR	JULY NET ALLOW.	JULY PROD.	OVER	UNDER	AUGUST CURR. ALLOW.	AUGUST NET ALLOW.	SEPT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	123,925	7,325		116,600	22,323	138,923	-35,427		Cont.
Lockhart B-1													

GULF OIL CORP.	1 O	24-21-36	160	1.00	78,877	- 0 --		78,877	22,323	101,200	-35,427		Gulf
Mattern, H.T., A	2 E	25-21-36	160	1.00	85,742	18,441		67,301	22,323	89,624	-35,427		Gulf
Ramsey B													

SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	25,455	15,040		10,415	22,323	32,738	-35,427		E.P.
Brownlee													
POOL TOTALS				4.00	313,999	40,806		273,193	89,292	362,485	141,708		

ELINEBRY POOL

September Nominations	792,319
Plus July Overage	336,832
August Nominations	770,023
Less Aug. Curr. Allow.	1,308,837
September Curr. Allocation	-538,814
Less Marginal Allocation	590,337
Total Non-Marginal Allocation	582,587
	1,129,151

ANERADA PET. CORP.	4 I	16-21-37	160	1.00	40,155	20,482		19,673	23,549	43,222	10,545		PB
State DA	7 N	15-22-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		PB
Walden	10 H	22-22-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		PB
Wood	3 I	10-22-37	80	.50	-12,651	1,399			11,775	-2,275	5,273		PB
Baker, A. E.													

AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	-14,954	16,473			23,549	-7,878	10,545		SU
Dauren													

(1)

BLINEBRY POOL CONT'D													
OPERATOR	WELL	S.I.R.	NO.	FACTOR	JULY NET ALLOW.	JULY PROD.	OVER	UNDER	AUGUST CURR. ALLOW.	AUGUST NET ALLOW.	SEPT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CITIES SERVICE OIL CO.	E	15-21-37	80	.50	2,973	332		2,641	11,775	14,416	5,273		EP
CONTINENTAL OIL CO.	O	11-21-37	160	1.00	50,211	20,706		29,505	23,549	53,054	10,545		EP
GULF OIL CORP.	J	25-22-37	120	.75	4,401	9,304	4,903		17,662	12,759	7,909		Gulf
Mamada	H	22-21-37	160	1.00	-23,539	14,895	38,434		23,549	-14,835	10,545		PB
Eubank	G	28-21-37	160	1.00	-15,631	20,136	35,767		23,549	-12,218	10,545		PB
King	A	16-21-37	160	1.00	-17,845	14,064	31,909		23,549	-8,360	10,545		PB
Leonard E	O	34-21-37	160	1.00	6,142	16,891	10,749		23,549	12,800	10,545		PB
Cwen, Mark	D	30-22-38	160	1.00	38,030	- 0 -		38,030	23,549	61,579	10,545		EP&G
Vivian	A	10-22-37	160	1.00	5,269	29,024	23,755		23,549	-206	10,545		PB
Faves													
HUMBLE OIL & REFINING CO.	B	34-21-37	160	N.C.	N.C.	N.C.		744	23,549	24,293	10,545		EP
Hardison	A	2-22-37	160	1.00	2,851	2,107			23,549	22,712	10,545		EP
N.W. St. S	C	"	160	1.00	5,150	5,987	837		23,549	17,264	10,545		EP
"	L	"	160	1.00	3,700	9,985	6,285		23,549	39,751	10,545		EP
Penrose	B	13-22-37	160	1.00	34,633	18,431		16,202	23,549				EP&H
MAGNOLIA PETROLEUM CO.	E	10-22-37	160	1.00	-21,075	9,723	30,798		23,549	-7,249	10,545		PB
Brunson Argo	F	33-21-37	160	1.00	-1,371	18,353	19,724		23,549	3,825	10,545		PB
Carson, E.O.	F	33-21-37	120	.75	-4,392	4,387		5	17,662	17,667	7,909		PB
Corrigan, H.	J	11-22-37	160	1.00	-17,219	15,167	32,386		23,549	-8,837	10,545		PB
Long, S.E.	D	34-21-37	160	1.00	-4,078	23,858	27,936		23,549	-4,387	10,545		PB
Marshall Unit	A	23-21-37	40	.25	-21,507	- 0 -	21,507		5,887	-15,620	2,636		PB
Williamson													
MARKHAM, CONE & REDFERN	M	14-21-37	160	1.00	22,336	1,967		20,369	23,549	43,918	10,545		EP&G
Eubanks													
MID-CONTINENT PET. CORP.	O	16-21-37	160	1.00	9,516	961		8,555	23,549	32,104	10,545		PB
State IS													
(2)													

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2-D

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF OCTOBER 1954

The Commission held public hearing at Santa Fe, New Mexico, on September 16, 1954, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of October 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed seven gas pools for the month of October, 1954, is 7,258,857 MCF. The individual pool nominations, which total 7,258,857 MCF are as follows:

Arrow	107,469 MCF
Blinebry	782,055
Byers-Queen	10,896
Eumont	2,845,757
Jalmat	2,648,049
Justis	19,883
Tubb	844,748

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of October, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 7,258,857 MCF without causing waste during the month of October, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of October, 1954, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	107,469 MCF
Blinebry	782,055
Byers-Queen	10,896
Eumont	2,845,757
Jalmat	2,648,049
Justis	19,883
Tubb	844,748

(2) That the allocation hereby set for the month of October in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of October, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 20th day of September, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member & Secretary

S E A L



NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL  
\*Indicates Marginal Wells

October Nominations 107,469  
Less Aug. Underage 154,580  
- 47,111  
September Nominations 109,190  
Less Sept. Curr. Allow 38,764  
70,426  
October Current Allocation 23,315

OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	AUGUST NET ALLOW.	AUGUST PROD.	OVER	UNDER	SEPT. CURR. ALLOW.	SEPT. NET ALLOW.	OCT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	138,923	7,485		131,438	9,691	141,129	5829		Cont.
Lockhart B-1													
GULF OIL CORP.	1 O	24-21-36	160	1.00	101,200	-0-		101,200	9,691	110,891	5,829		Gulf
Mattern, H.T., A	2 E	25-21-36	160	1.00	-81,860	14,210	96,070		9,691	-86,379	5,829	S.I.	Gulf
Ramsey B													
SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	23,750	5,738		13,012	9,691	27,703	5,829		E.P.
Brownlee													
POOL TOTALS				4.00	182,013	27,433	96,070	250,650 (154,580)	38,764	193,344	23,316		
BLINEBRY POOL													
October Nominations 782,065													
Less Aug. Underage 73,154													
708,901													
Sept. Nominations 792,319													
Less Sept. Curr. Allow 605,129													
187,190													
October Current Allocation 896,051													
Less Marginal Allocation 7,750													
Total Non-Marginal Allocation 888,301													
AMERADA PET. CORP.	4 I	16-21-37	160	1.00	43,222	16,293		26,929	10,545	37,474	15,517		P.B.
State DA	7 N	15-22-37	160	1.00	N.C.	N.C.			9,842	9,842	15,517		P.B.
Walden	10 H	22-22-37	160	1.00	N.C.	N.C.			4,921	4,921	15,517		P.B.
Wood	3 I	10-22-37	80	.50	-2,275	5,874	8,149		5,273	-2,376	7,759		P.B.
Baker, A.E.													
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	-7,878	12,806	20,684		10,545	-10,139	15,517		S.U.
Datron							(1)						

BLINERRY POOL CONT'D

CITIZEN	WELL	S.T.R.	NO.	FACTOR	AUG. NET ALLOW.	AUG. PROD.	OVER	UNDER	SEPT. CURR. ALLOW.	SEPT. NET ALLOW.	OCT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CITIES SERVICE OIL CO.													
Brunson C	7 P	3-22-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
State S	1 E	15-21-37	80	.50	14,416	1,303		13,113	5,273	18,386	7,759		
CONTINENTAL OIL CO.													
Lockhart B-11	8 O	11-21--37	160	1.00	53,054	16,261		36,793	10,545	47,338	15,517		E.P.
GULF OIL CORP.													
Amarda	1 J	25-22-37	120	.75	12,759	11,250		1,509	7,909	9,418	11,638		G.P.
Eubank	4 H	22-21-37	160	1.00	-14,885	15,658	30,543		10,545	-19,998	15,517		P.B.
King	9 G	28-21-37	160	1.00	-12,218	12,971	25,189		10,545	-14,644	15,517		P.B.
Leonard E	4 A	16-21-37	160	1.00	-8,360	12,804	21,164		10,545	-10,619	15,517		P.B.
Owen, Mark	6 O	34-21-37	160	1.00	12,800	8,233		4,567	10,545	15,112	15,517		P.B.
Vivian	5 D	30-22-38	160	1.00	61,579	-0-		61,579	10,545	72,124	15,517		EP&G
Eaves	6 A	10-22-37	160	1.00	-206	25,865	26,071		10,545	-15,526	15,517		PB
HUMBLE OIL & REFINING CO.													
Hardison	4 B	34-21-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		EP
N.M. ST. S	12 A	2-22-37	160	1.00	24,293	14,367		9,926	10,545	20,471	15,517		EP
"	14 C	"	160	1.00	22,712	7,679		15,033	10,545	25,578	15,517		EP
"	21 L	"	160	1.00	17,264	28,983	11,719		10,545	-1,174	15,517		EP
Penrose	1 B	13-22-37	160	1.00	39,751	31,275		8,476	10,545	19,021	15,517		EP&H
MAGNOLIA PET. CO.													
Brunson Argo	6 E	10-22--37	160	1.00	-7,249	8,647	15,896		10,545	-5,351	15,517		PE
Carson, E.O.	8 F	33-21-37	160	1.00	3,825	17,751	13,926		10,545	-3,381	15,517		PB
Corrigan, H.	7 P	33-21-37	120	.75	17,673	5,286		12,387	7,909	20,296	11,638		PB
Long, S.E.	8 J	11-22-37	160	1.00	-8,837	10,275	19,112		10,545	-8,567	15,517		PB
Marshall Unit	3 D	34-21-37	160	1.00	-4,387	12,088	16,475		10,545	-5,930	15,517		PB
Williamson	1 A	23-21-37	40	.25	-15,620	4,805	20,425		2,636	-17,789	3,879		PB
MARKHAM, CONE & REDFERN													
Eubanks	1 M	14-21-37	160	1.00	43,918	8,642		35,276	10,545	45,821	15,517		EP&G
MID-CONTINENT PET. CORP.													
State 15	3 O	16-21-37	160	1.00	32,104	969		31,135	10,545	41,680	15,517		PB

(2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2-E

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF NOVEMBER 1954

---

The Commission held public hearing at Hobbs, New Mexico, on October 20, 1954, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of November 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed seven gas pools for the month of November, 1954, is 13,064,198 MCF. The individual pool nominations, which total 13,064,198 MCF are as follows:

Arrow	131,215	MCF
Blinebry	1,506,784	
Byers-Queen	11,976	
Eumont	4,091,561	
Jalmat	5,889,871	
Justis	53,249	
Tubb	1,379,542	

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of November, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 13,064,198 MCF without causing waste during the month of November, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of November, 1954, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	131,215	MCF
Blinebry	1,506,784	
Byers-Queen	11,976	
Eumont	4,091,561	
Jalmat	5,889,871	
Justis	53,249	
Tubb	1,379,542	

(2) That the allocation hereby set for the month of November in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of November, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 22nd day of October, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member & Secretary

S E A L

NOTE: S.I. Indicates that the well is over produced beyond the allowed tolerance and must be Shut In.

November Current Allocation												(45,411)
ARROW POOL												
*Indicates Marginal Wells												
OPERATOR	WELL	NO.	SEPT. NET	SEPT. PROD.	OVER	UNDER	OCTOBER CURR. ALLOW.	OCTOBER NET ALLOW.	NOVEMBER CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE	
LEASE												
CONTINENTAL OIL CO.												
Lockhart B-1	6 P	1-22-36	160	1.00	141,129	4,383	136,746	5,829	142,575	11,353	Cont.	
GULF OIL CORP.												
Mattern, H.T. A	1 O	24-21-36	160	1.00	110,891	- 0 -	110,891	5,829	116,720	11,353	Gulf	
Ramsey B	2 E	25-21-36	160	1.00	-86,379	15,101	101,480	5,829	-95,651	11,353	Gulf	
SINCLAIR OIL & GAS CO.												
Brownlee	4 N	25-21-36	160	1.00	27,723	3,923	23,800	5,829	29,629	11,353	EP	
POOL TOTALS												
				4.00	193,364	23,407	101,480	271,437 (169,957)	23,316	193,273	45,412	

PLINERY POOL

AMERADA PET. CORP.											
State DA	4 I	16-21-37	160	1.00	37,474	7,859	-29,615	15,517	(45,132)	25,607	PB
Walden	7 N	15-22-37	160	1.00	9,842	13,692		15,517	11,667	25,607	PB
Wood	10 H	22-22-37	160	1.00	4,921	15,185		15,517	5,253	25,607	PB
Baker, A.E.	3 I	10-22-37	80	.50	-2,876	11,943	14,819	7,759	-7,060	12,804	PB

(1)

November Nominations 131,215  
 Less September Underage 169,957  
 October Nominations 107,469  
 Less Oct. Curr. Allow. 23,316  
 November Current Allocation 84,153  
 (45,411)

November Nominations 1,506,784  
 Plus Sept. Overage (151,738)  
 October Nominations 782,055  
 Less Oct. Curr. Allow. 915,624  
 November Curr. Allocation 1,524,953  
 Less Marginal Alloc. 7,750  
 Total Non-Marg. Alloc. (1,517,203)

November Nominations 1,658,522  
 Less Sept. Overage (151,738)  
 October Nominations 782,055  
 Less Oct. Curr. Allow. 915,624  
 November Curr. Allocation 1,524,953  
 Less Marginal Alloc. 7,750  
 Total Non-Marg. Alloc. (1,517,203)

BLINERY POOL CONT'D											
OPERATOR	WELL	NO.	SEPT.	SEPT.	OVER	UNDER	OCTOBER	OCTOBER	NOVEMBER	DATE	PIPE
LEASE	UNIT	S.T.R.	ACRES	FACTOR	ALLOW.	PROD.	ALLOW.	NET	CURR.	FIRST	LINE
								ALLOW.	ALLOW.	ALLOW.	
AZTEC OIL & GAS CO.											
Duron	2 A	10-21-37	160	1.00	-10,139	15,214	25,353	15,517	-9,836	25,607	SU
CITIES SERVICE OIL CO.											
Brunson C	7 P	3-22-37	160	1.00	N.C.	N.C.	9,510	9,510	25,607	10-13	PB
State S	1 E	15-21-37	80	.50	18,386	4,457	13,929	7,759	21,688	12,804	EP
CONTINENTAL OIL CO.											
Lockhart B-11	8 O	11-21-37	160	1.00	47,338	14,150	33,188	15,517	43,705	25,607	EP
GULF OIL CORP.											
Amanda	1 J	25-22-37	120	.75	9,418	7,426	1,992	11,638	13,630	19,205	Gulf
Carson, J.N.	4 O	28-21-37	160	N.C.	N.C.	N.C.	15,517	N.C.	-22,780	25,607	PB
Eubank	4 H	22-21-37	160	1.00	-19,998	18,299	38,297	15,517	-19,656	25,607	PB
King	9 G	26-21-37	160	1.00	-14,644	20,529	35,173	15,517	-13,211	25,607	PB
Leonard E	4 A	16-21-37	160	1.00	-10,619	18,109	28,728	15,517	5,785	25,607	PB
Owen, Mark	6 O	34-21-37	160	1.00	15,112	24,844	9,732	15,517	60,231	25,607	EP&G
Vivian	5 D	30-22-38	160	1.00	72,124	27,410	44,714	15,517	-16,420	25,607	PB
Eaves	6 A	10-22-37	160	1.00	-15,526	16,411	31,937	15,517			
HUMBLE OIL & REFINING CO.											
Hardison	4 B	34-21-37	160	N.C.	N.C.	N.C.	17,056	N.C.	32,573	25,607	EP
N.M.St. S	12 A	2-22-37	160	1.00	20,471	3,415		15,517	-5,329	25,607	EP
"	14 C	"	160	1.00	25,578	46,424	20,846	15,517	12,267	25,607	EP
"	21 L	"	160	1.00	-1,174	2,076	3,250	15,517	29,438	25,607	EP&H
Penrose	1 B	13-22-37	160	1.00	19,021	5,100	13,921	15,517			
MAGNOLIA PETROLEUM CO.											
Brunson Argo	6 E	10-22-37	160	1.00	-5,351	21,496	26,847	15,517	-11,330	25,607	PB
Carson, E.O.	8 F	33-21-37	160	1.00	-3,381	19,325	22,706	15,517	-7,189	25,607	PB
Corrigan, H.	7 P	33-21-37	120	.75	20,296	5,170	15,126	11,638	26,764	19,205	PB
Long, S.E.	8 J	11-22-37	160	1.00	-8,567	21,494	30,061	15,517	-14,544	25,607	PB
Marshall Unit	3 D	34-21-37	160	1.00	-5,930	21,120	27,050	15,517	-11,533	25,607	PB
Williamson	1 A	23-21-37	40	.25	-17,789	1,965	19,754	3,879	-15,875	6,402	PB
MARKHAM, CONE & REDFERN											
Eubanks	1 M	14-21-37	160	1.00	45,821	5,916	39,905	15,517	55,422	25,607	EP&G
(2)											

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-2-F

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF DECEMBER 1954

---

The Commission held public hearing at Santa Fe, New Mexico, on November 17, 1954, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of December 1954:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed seven gas pools for the month of December, 1954, is 18,171,855 MCF. The individual pool nominations, which total 18,171,855 MCF are as follows:

Arrow	114,851 MCF
Blinebry	3,207,125
Byers-Queen	12,646
Eumont	4,421,954
Jalmat	8,679,627
Justis	45,000
Tubb	1,690,652

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of December, 1954.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 18,171,855 MCF without causing waste during the month of December, 1954, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of December, 1954, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	114,851 MCF
Blinebry	3,207,125
Byers-Queen	12,646
Eumont	4,421,954
Jalmat	8,679,627
Justis	45,000
Tubb	1,690,652

(2) That the allocation hereby set for the month of December in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of December, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 17th day of November, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWEN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L



NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

OPERATOR	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	OCT. NET. ALLOW.	OCT. PROD.	OVER	UNDER	NOV. CURR. ALLOW.	NOV. NET ALLOW.	DEC. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
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CONTINENTAL OIL CO. 6 P 1-22-36 160 1.00 142,575 4,523 138,052 11,353 149,405 9,515 Cont.

GULF OIL CORPORATION

Mattern, H.T. A 1 O 24-21-36 160 1.00 116,720 -0- 116,720 11,353 128,073 9,515 Gulf  
 Ramsey B 2 E 25-21-36 160 1.00 -95,651 22,169 117,820 11,353 -106,467 9,515 S.I. Gulf

SINCLAIR OIL & GAS CO.

Brownlee 4 N 25-21-36 160 1.00 29,629 3,987 25,642 11,353 36,995 9,515 E.P.  
 POOL TOTALS 4.00 193,273 30,679 117,820 280,414 45,412 208,006 38,060

BLINERY POOL

December Nominations 3,297,125-  
 Plus Oct. Overage 83,947  
 3,123,178  
 November Nominations 1,506,784  
 Less Nov. Curr. Allowa. 1,526,463  
 -19,679  
 December Current Allocation 3,103,499  
 Less Marginal Allocation 7,750  
 Total Non-Marginal Allocation 3,095,749

AMERADA PET. CORP.

State DA 4 I 16-21-37 160 1.00 45,132 9,620 35,512 25,607 61,119 52,029 P.B.  
 Walden 7 N 15-22-37 160 1.00 11,667 13,073 1,406 25,607 24,201 52,029 P.B.  
 Wood 10 H 22-22-37 160 1.00 5,253 12,501 7,248 25,607 18,359 52,029 P.B.  
 Baker, A.E. 3 I 10-22-37 80 .50 -7,060 5,520 12,580 12,804 224 26,015 P.B.

(1)

BLINERBY POOL CONT'D													
OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	OCT. NET ALLOW.	OCT. PROD.	OVER	UNDER	NOV. CURR. ALLOW.	NOV. NET ALLOW.	DEC. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
AZTEC OIL & GAS CO.													
Duron	2 A	10-21-37	160	1.00	-9,836	21,080	30,916		25,607	-5,309	52,029		S.U.
CITIES SERVICE OIL CO.													
Brunson C	7 P	3-22-37	160	1.00	9,510	22,409	12,899		25,607	12,708	52,029		P.B.
State S	1 E	15-21-37	80	.50	21,688	10,592		11,096	12,804	23,900	26,015		E.P.
CONTINENTAL OIL CO.													
Lockhart B-11	8 O	11-21-37	160	1.00	48,705	19,179		29,526	25,607	55,133	52,029		E.P.
FAMARISS PETROLEUM CORP.													
E. C. Hill	1 J	4-21-37	40	.25	N.C.	N.C.			1,494	1,494	13,007	11-24-54	S.U.
GULF OIL CORP.													
Amanda	1 J	25-22-37	120	.75	13,630	8,000		5,630	19,205	24,835	39,022		Gulf
Carson, J. N.	4 O	28-21-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		P.B.
Eubank	4 H	22-21-37	160	1.00	-22,780	2,122	24,902		25,607	705	52,029		P.B.
King	9 G	28-21-37	160	1.00	-19,656	1,649	21,305		25,607	4,302	52,029		P.B.
Leonard E	4 A	16-21-37	160	1.00	-13,211	856	14,067		25,607	11,540	52,029		P.B.
Owen, Mark	6 O	34-21-37	160	1.00	5,785	18,273	12,488		25,607	13,119	52,029		P.B.
Vivian	5 D	30-22-38	160	1.00	60,231	29,765		30,466	25,607	56,073	52,029		EP&G
Eaves	6 A	10-22-37	160	1.00	-16,420	2,070	18,490		25,607	7,117	52,029		P.B.
HUMBLE OIL & REFINING CO.													
Hardison	4 B	34-21-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		E.P.
N.M. St. S	12 A	2-22-37	160	1.00	32,573	12,553		20,020	25,607	45,627	52,029		E.P.
"	14 C	"	160	1.00	-5,329	3,641	8,970		25,607	16,637	52,029		E.P.
"	21 L	"	160	1.00	12,267	23,409	11,142		25,607	14,465	52,029		E.P.
Penrose	1 B	13-22-37	160	1.00	29,438	18,051		11,387	25,607	36,994	52,029		E.P.
MAGNOLIA PETROLEUM CO.													
Brunson Argo	6 E	10-22-37	160	1.00	-11,330	-0-	11,330		25,607	14,277	52,029		P.B.
Carson, E. O.	8 F	33-21-37	160	1.00	-7,189	3,239	10,428		25,607	15,179	52,029		P.B.
Corrigan, H.	7 P	33-21-37	120	.75	26,764	2,942		23,822	19,205	43,027	39,022		P.B.
Long, S. E.	8 J	11-22-37	160	1.00	-14,544				25,607	11,063	52,029		P.B.
Marshall Unit	3 D	34-21-37	160	1.00	-11,533	3,581	15,114		25,607	10,493	52,029		P.B.
Williamson	1 A	23-21-37	40	.25	15,875	1,369	17,244		6,402	-10,842	13,007		P.B.
							(2)						

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3

GAS PRORATION ORDER  
FOR PERIOD JANUARY 1, 1955 THROUGH JUNE 30, 1955

The Commission held public hearing at Santa Fe, New Mexico on November 24, 1954 at 9 o'clock a.m., pursuant to legal notice for the purpose of setting the allowable production of gas from the following seven (7) gas pools in Lea County, New Mexico for the six-month period, January 1, 1955 through June 30, 1955.

Arrow, Blinebry, Byers-Queen, Eumont  
Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed seven (7) gas pools for the period January 1, 1955 through June 30, 1955 is 59,996,794 MCF. The individual pool nominations, which total 59,996,794 MCF, are as follows:

ARROW	508,840 MCF
BLINEBRY	7,806,962
BYERS-QUEEN	83,715
EUMONT	20,679,618
JALMAT	23,194,009
JUSTIS	217,188
TUBB	7,506,462

(2) The potential producing capacity of all gas wells in the seven (7) gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed seven (7) gas pools should be limited, allocated and distributed during the six month proration period commencing January 1, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven (7) gas pools listed above can produce a total of 59,996,794 MCF without causing waste within the six-month proration period commencing January 1, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the six-month proration period commencing January 1, 1955, the total allowable production to be assigned the seven (7) allocated gas pools in Lea County be and the same hereby is as follows:

ARROW	508,840 MCF
BLINEBRY	7,806,962
BYERS-QUEEN	83,715
EUMONT	20,679,618
JALMAT	23,194,009
JUSTIS	217,188
TUBB	7,506,462

(2) The allocation hereby set for said six-month proration period in the seven (7) allocated pools in Lea County, New Mexico shall be in accordance with Orders 368-A through 376-A inclusive, and Order No. R-520, and the Commission's Rules and Regulations.

(3) The total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A", attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers supplemental nominations and actual gas production, in accordance with Orders Nos. 368-A through 376-A, inclusive, and Order R-520.

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

DONE at Santa Fe, New Mexico, this 24th day of November, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

SCHEDULE "A"

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
ARROW	96,187	82,195	89,239	82,862	81,498	76,859	508,840
BLINEBRY	1,647,421	1,351,382	1,468,521	1,322,393	1,219,946	797,299	7,806,962
BYERS-QUEEN	14,280	13,950	14,280	13,900	13,705	13,600	83,715
EUMONT	4,141,045	3,482,683	3,759,136	3,528,836	3,375,110	2,392,808	20,679,618
JALMAT	6,010,427	4,378,060	4,498,229	3,538,254	2,730,313	2,038,726	23,194,009
JUSTIS	59,930	41,937	42,561	32,280	23,207	17,273	217,188
TUBB	1,487,837	1,270,515	1,387,095	1,286,482	1,235,613	838,920	7,506,462
TOTAL	-						59,996,794

All figures in MCF @ 60°F & 15.025 P.S.I.A.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-A

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JANUARY 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on December 16, 1954, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of January, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above listed seven gas pools for the month of January, 1955 is 13,120,630 MCF. The individual pool nominations, which total 13,120,630 are as follows:

Arrow	95,285 MCF
Blinebry	1,882,672
Byers-Queen	14,280
Eumont	3,283,944
Jalmat	6,272,299
Justis	57,675
Tubb	1,514,475

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of January, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 13,120,630 MCF without causing waste during the month of January, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of January, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	95,285 MCF
Blinebry	1,882,672
Byers-Queen	14,280
Eumont	3,283,944
Jalmat	6,272,299
Justis	57,675
Tubb	1,514,475

(2) That the allocation hereby set for the month of January, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of January, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated., in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 17th day of December, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

S/ EDWIN L. MECHEM, Chairman

S/ E. S. WALKER, Member

S/ W. B. MACEY, Member & Secretary

S E A L

NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

January Nominations 95,285  
Less November Underage 155,056

- 59,771

December Nominations 114,851  
Less Dec. Curr. Allow. -38,060

76,791

ARROW POOL

17,020

TRATOR	WELL	NO.	FACTOR	NOV. NET ALLOW.	NOV. PROD.	OVER	UNDER	DEC. CURR. ALLOW.	DEC. NET ALLOW.	JAN. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
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CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	149,405	4,540	144,365	9,515	154,380	4,255	Cont.
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GULF OIL CORP.	1 O	24-21-36	160	1.00	123,073	-0-	123,073	9,515	137,538	4,255	Gulf.
Wattern, H. T.	2 E	25-21-36	160	1.00	-106,467	29,685	136,152	9,515	-126,637	4,255	Gulf.

SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	36,995	18,725	18,270	9,515	27,785	4,255	E. P.
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POOL TOTALS				4.00	203,006	52,950	136,152	38,060	193,116	17,020	
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BLINEBRY POOL

January Nominations 1,882,672  
Plus November Overage 344,733  
December Nominations 3,207,125  
Less Dec. Curr. Allow. 3,267,116  
January Current Allocation -59,991  
Less Marginal Allocation 2,167,414  
Total Non-Marginal Allocation 2,159,664

AMERADA PET. CORP.	4 I	16-21-37	160	1.00	61,119	17,012	44,107	52,029	96,136	33,745	P.B.
State DA	7 N	15-22-37	160	1.00	24,201	18,130	6,071	52,029	58,100	33,745	P.B.
Walden	10 H	22-22-37	160	1.00	18,359	39,413	21,054	52,029	30,975	33,745	P.B.
Wood	3 I	10-22-37	80	.50	224	10,042	9,818	26,015	16,197	16,873	P.B.

(1)



	UNIT	S.T.R.	ACRES	FACTOR	NOV. NET ALLOW.	NOV. PROD.	OVER	UNDER	DEC. CURR. ALLOW.	DEC. NET ALLOW.	JAN. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
OPERATOR .	WELL		NO.										
LEASE	UNIT	S.T.R.	ACRES	FACTOR	ALLOW.	PROD.	OVER	UNDER	ALLOW.	ALLOW.	ALLOW.	ALLOW.	LINE

AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	-5,309	26,822	32,131	52,029	19,898 ✓	33,745	S.U.
Dauron											
CITIES SERVICE OIL CO.	7 P	3-22-37	160	1.00	12,708	30,266	17,558	52,029	34,471 ✓	33,745	PB.
Brunson C											
State S	1 E	15-21-37	80	.50	23,900	45,118	21,218	26,015	4,797 ✓	16,873	EP
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	55,133	20,269	34,864	52,029	86,893 ✓	33,745	EP
Lockhart B-11											
FAMARISS PETROLEUM CORP.	1 J	4-21-37	40	.25	1,494	- 0 -	1,494	13,007	14,511 ✓	8,436	SU
E.C.Hill											
GULF OIL CORP.	1 J	25-22-37	120	.75	24,835	10,655	14,180	39,022	53,202 ✓	25,309	Gulf
Amanda											
Carson, J.N.	4 O	28-21-37	160	1.00	N.C.	N.C.		52,029	52,029 ✓	33,745	P.B.
Eubank	4 H	22-21-37	160	1.00	705	21,007	20,302	52,029	31,727 ✓	33,745	P.B.
King	9 G	28-21-37	160	1.00	4,302	24,354	20,052	52,029	31,977 ✓	33,745	P.B.
Leonard E	4 A	16-21-37	160	1.00	11,540	30,620	19,080	52,029	32,949 ✓	33,745	P.B.
Owen, Mark	6 O	34-21-37	160	1.00	13,119	24,654	11,535	52,029	40,494 ✓	33,745	P.B.
Vivian	5 D	30-22-38	160	1.00	56,073	29,792	26,281	52,029	78,310 ✓	33,745	EP&G
Faves	6 A	10-22-37	160	1.00	7,117	31,615	24,498	52,029	27,531 ✓	33,745	PB
HUMBLE OIL & RFG. CO.	11 J	9-22-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.	E.P.
Greenwood, J.L.											
Hardison	4 B	34-21-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.	E.P.
Hardison B	8 I	27-21-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.	E.P.
N.M. State S	12 A	2-22-37	160	1.00	45,627	34,330	11,297	52,029	63,326 ✓	33,745	E.P.
"	14 C	"	160	1.00	16,637	19,290	2,653	52,029	49,376 ✓	33,745	E.P.
"	21 L	"	160	1.00	14,465	39,499	25,034	52,029	26,995 ✓	33,745	E.P.
Penrose	1 B	13-22-37	160	1.00	36,994	22,857	14,137	52,029	66,166 ✓	33,745	E.P.
MAGNOLIA PET. CO.	6 E	10-22-37	160	1.00	14,277	29,767	15,490	52,029	36,539 ✓	33,745	P.D.
Brunson Argo											
Carson, E.O.	8 F	33-21-37	160	1.00	15,179	22,239	7,060	52,029	44,969 ✓	33,745	P.B.
Corrigan, H.	7 P	33-21-37	120	.75	43,027	5,570	37,457	39,022	76,479 ✓	25,309	P.B.
Long, S.E.	8 J	11-22-37	160	1.00	11,063	31,234	20,171 (2)	52,029	31,858 ✓	33,745	P.B.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-B

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF FEBRUARY 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on January 13, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of February, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of February, 1955, is 12,154,788 MCF. The individual pool nominations, which total 12,154,788 MCF, are as follows:

Arrow	86,706
Blinebry	1,770,337
Byers-Queen	13,950
Eumont	2,988,961
Jalmat	5,848,407
Justis	53,216
Tubb	1,393,211

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of February, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 12,154,788 MCF without causing waste during the month of February, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of February, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	86,706
Blinebry	1,770,337
Byers-Queen	13,950
Eumont	2,988,961
Jalmat	5,848,407
Justis	53,216
Tubb	1,393,211

(2) That the allocation hereby set for the month of February, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of February, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 17th day of January, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir

NOTE: S.I. Indicates that the well is over produced beyond the allowed tolerance and must be Shut In.

ARTROW POOL

February Nominations	86,706
Plus Dec. Overage	<u>49,131</u>
	135,837
January Nominations	95,265
Less Jan.Curr.Allow.	<u>17,020</u>
	78,265
February Curr. Alloc.	<u>214,102</u>

OPERATOR	WELL	NO.	ACRES	FACTOR	DEC. NET ALLOW.	DEC. PROD.	OVER	UNDER	CANCELLED CURR. UNDERPAGE	JAN. ALLOW.	JAN. NET ALLOW.	FEB. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	154,380	3,885		150,495	102,914	4,255	51,836	53,526		Cont.
Lockhart B-1														
GULF OIL CORP.	1 O	24-21-36	160	1.00	137,588	- 0 -		137,588	57,866	4,255	83,977	53,526		Gulf
Mattern, H.T.A.	2 E	25-21-36	160	1.00	-126,637	42,932	169,569			4,255	-165,314	53,526		Gulf
Ramsey B														
SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	27,765	34,630	6,865			4,255	-2,610	53,526		EP
Brownlee														
POOL TOTAL				4.00	193,096	81,447	176,434	288,083	160,780	17,020	-32,111	214,104		

Revised Dec. Net Status (49,131)

NOTE: S.I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

BLINERRY POOL

February Nominations 1,770,337  
 Less Dec. Underage 352,181  
 1,418,156

January Nominations 1,882,672  
 Less Jan. Curr. Allow. 2,205,772  
 - 323,100  
 1,095,056  
 - 2,000  
 1,093,056

Feb. Curr. Alloc. 108,330  
 Less Marg. Alloc. 75,208  
 Total Non-Marg. Alloc. 29,855  
 JAN. NET ALLOW. 11,991

JAN. CANCELLED CURR. ALLOW. 16,873

FEB. CURR. ALLOW. 8,157

OPERATOR	WELL	S.T.R.	NO.	FACTOR	DEC. NET ALLOW.	DEC. PROD.	OV FR	UNDER	CANCELLED CURR. ALLOW.	JAN. NET ALLOW.	FEB. CURR. ALLOW.	DATE FIRST ALLOW.	P. LINE
AMERADA PET. CORP.	4 I	16-21-37	160	1.00	96,136	21,551		74,585	33,745	108,330	16,314		PB
State DA	7 N	15-22-37	160	1.00	58,100	16,637		41,463	33,745	75,208	16,314		PB
Walden	10 H	22-22-37	160	1.00	30,975	34,365	3,890		33,745	29,855	16,314		"
Wood	3 I	10-22-37	80	.50	16,197	21,079	4,882		16,873	11,991	8,157		"
Baker, A.E.													
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	19,898	27,459	7,561		33,745	26,184	16,314		SU
Dauron													
CITIES SERVICE OIL CO.	7 P	3-22-37	160	1.00	34,471	36,922	2,451		33,745	31,294	16,314		PB
Brunson C	1 E	15-21-37	80	.50	4,797	41,461	36,664		16,873	-19,791	8,157		EP
State S													
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	86,893	18,120		68,773	33,745	73,013	16,314		EP
Lockhart B-11													
HAMARISS PETROLEUM CORP.	1 J	4-21-37	40	.25	<del>43,504</del> 14,581	32,132	<del>17,691</del>	11,372	<del>33,300</del> 8,436	<del>36,681</del> -9,196	<del>12,236</del> 4,079		SU
E.C.Hill													
GULF OIL CORP.	1 J	25-22-37	120	.75	53,202	12,133		41,069	25,309	66,378	12,236		Gulf
Amanda	4 O	28-21-37	160	1.00	52,029	17,687		34,342	33,745	68,087	16,314		PB
Carson, J.N.	4 H	22-21-37	160	1.00	31,727	39,175	7,448		33,745	26,297	16,314		PB
Eubank	9 G	28-21-37	160	1.00	31,977	40,125	8,148		33,745	25,597	16,314		PB
King	4 A	16-21-37	160	1.00	32,949	35,900	2,951		33,745	30,794	16,314		"
Leonard E	10 H	32-21-37	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		Gulf
McCormack	6 O	34-21-37	160	1.00	40,494	25,053		15,441	33,745	49,186	16,314		PB
Owen, Mark	5 D	30-22-38	160	1.00	78,310	30,454		47,856	33,745	55,320	16,314		EP&G
Vivian													

(2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-C

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF MARCH 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on February 16, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of March, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis, and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of March, 1955, is 14,450,127 MCF. The individual pool nominations, which total 14,450,127 MCF, are as follows:

Arrow	95,519
Blinebry	2,273,536
Byers-Queen	14,280
Eumont	3,915,412
Jalmat	6,257,478
Justis	58,261
Tubb	1,835,641

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of March, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 14,450,127 MCF without causing waste during the month of March, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(i) That for the month of March, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	95,519
Blinebry	2,273,536
Byers-Queen	14,280
Eumont	3,915,412
Jalmat	6,257,478
Justis	58,261
Tubb	1,835,641

(2) That the allocation hereby set for the month of March, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of March, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 17th day of February, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir

NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

March Nominations	95,519
Plus January Overage	<u>126,204</u>
	221,723
February Nominations	86,706
Less February Current Allow.	<u>-214,104</u>
March Current Allocation	-127,398
	<u>94,325</u>

OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	JAN. NET ALLOW.	JAN. PROD.	OVER	UNDER	FEB. CURR. ALLOW.	FEB. NET ALLOW.	MARCH CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	51,836	2,976 ✓		48,860	53,526	102,386 ✓	23,581		Cont.
GULF OIL CORP.													
Mattern, H. T. A	1 O	24-21-36	160	1.00	83,977	-0-		83,977 ✓	53,526	137,503 ✓	23,581		Gulf
Ramsey B	2 E	25-21-36	160	1.00	-165,314	42,822	208,136		53,526	-154,610 ✓	23,581	S.I.	Gulf
SINCLAIR OIL & GAS CO.													
Brownlee	4 N	25-21-36	160	1.00	-2,610	48,295 ✓	50,905		53,526	2,621 ✓	23,581		E.P.
POOL TOTALS				4.00	-32,111	94,093	259,041 (126,204)	132,837	214,104	87,900	94,324		

BLINEBRY POOL

March Nominations	2,273,536
Less January Underage	<u>-156,095</u>
	2,117,441
February Nominations	1,770,337
Less February Cur.Allow.	<u>-1,145,799</u>
March Current Allocation	<u>1,624,538</u>
Less Marginal Allocation	<u>2,741,979</u>
Total Non-Marginal Allocation	<u>-2,000</u>
	<u>2,739,979</u>

AMERADA PET. CORP.	3 I	10-22-37	80	.50	11,991	47,019 ✓	35,028		8,157	-26,871 ✓	19,078		P.E.
Baker, A. B.	4 I	16-21-37	160	1.00	108,330	17,983 ✓	(1)	90,347	16,314	106,661 ✓	38,055		P.3.



BLINEBRY POOL CONT'D

OPERATOR	WELL	NO.	FACTOR	JAN. NET	JAN. PROD.	OVER	UNDER	FEB. CURR.	FEB. NET	MARCH CURR.	DATE FIRST	PIPE LINE
LEASE	UNIT	S.T.R.	ACRES	ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
AMERADA PET. CORP. CONT'D												
Walden	7 N	15-22-37	160	1.00	75,208	17,491	57,717	16,314	74,031	38,055		P.B.
Wood	10 H	22-22-37	160	1.00	29,855	38,844	8,989	16,314	7,325	38,055		P.B.
AZTEC OIL & GAS CO.												
Dauron	2 A	10-21-37	160	1.00	26,184	35,853	9,669	16,314	6,645	38,055		S.U.
CITIES SERVICE OIL CO.												
Brunson C	7 P	3-22-37	160	1.00	31,294	37,404	6,110	16,314	10,204	38,055		P.B.
State S	1 E	15-21-37	80	.50	-19,791	36,756	56,547	8,157	-48,390	19,078		P.B.
CONTINENTAL OIL CO.												
Lockhart B-11	8 O	11-21-37	160	1.00	73,013	20,360	52,653	16,314	68,967	38,055		E.P.
FAMARISS PETROLEUM CORP.												
E. C. Hill	1 J	4-21-37	120	.75	<del>36,651</del> 37,195	27,914	37,199	<del>18,235</del> 4,079	<del>31,003</del> -36,096	28,541		S.U.
GULF OIL CORP.												
Amanda	1 J	25-22-37	120	.75	66,378	10,890	55,488	12,236	67,724	28,541		Gulf
Carson, J. N.	4 O	28-21-37	160	1.00	68,087	25,163	42,924	16,314	59,238	38,055		P.B.
Eaves	6 A	10-22-37	160	1.00	26,297	37,373	11,076	16,314	5,238	38,055		P.B.
Eubank	4 H	22-21-37	160	1.00	26,297	51,104	24,807	16,314	-8,493	38,055		P.B.
Hugh	7 C	14-22-37	160	1.00	N.C.	N.C.	18,525	10,488	10,488	38,055		P.B.
King	9 G	28-21-37	160	1.00	25,597	44,122		16,314	-2,211	38,055		P.B.
Gutman	2 C	19-22-38	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.		P.B.
Leonard E	4 A	16-21-37	160	1.00	30,794	28,455	2,339	16,314	18,653	38,055		Gulf
McCormack	10 H	32-21-37	160	N.C.	N.C.	N.C.	24,390	16,314	40,704	38,055		P.B.
Owen, Mark	6 O	34-21-37	160	1.00	49,186	24,796	32,397	16,314	48,711	38,055		EP&G
Vivian	5 D	30-22-38	160	1.00	55,320	22,923						
HUMBLE OIL & RFG. CO.												
Ferrel	2 I	22-22-37	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.		E.P.
Greenwood, J. L.	11 J	9-22-37	160	1.00	N.C.	N.C.		12,818	12,818	38,055		E.P.
Hardison	4 B	34-21-37	160	1.00	16,329	9,730	6,599	16,314	22,913	38,055		E.P.
Hardison B	8 I	27-21-37	160	1.00	N.C.	N.C.		11,139	11,139	38,055		E.P.
N. M. St. S	12 A	2-22-37	160	1.00	65,909	30,953	34,956	16,314	51,270	38,055		E.P.
"	14 C	"	160	1.00	52,581	34,046	(2)	16,314	34,849	38,055		E.P.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-D

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF APRIL 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on March 16, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of April, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of April, 1955, is 11,627,042 MCF. The individual pool nominations, which total 11,627,042 MCF, are as follows:

Arrow	86,495 MCF
Blinebry	1,713,568
Byers-Queen	13,900
Eumont	3,842,589
Jalmat	4,438,998
Justis	41,361
Tubb	1,490,131

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of April, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 11,627,042 MCF without causing waste during the month of April, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of April, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	86,495 MCF
Blinebry	1,713,568
Byers-Queen	13,900
Eumont	3,842,589
Jalmat	4,438,998
Justis	41,361
Tubb	1,490,131

(2) That the allocation hereby set for the month of April, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of April, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 21st. day of March, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir

NOTE: S.I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

April Nominations 86,495  
Plus Feb. Overage 416,134  
March Nominations 95,519  
Less March Curr. Allow. -94,324  
102,629

OPERATOR	WELL	UNIT	S.T.R.	NO.	ACRES	FACTOR	FEB. NET	FEB. PROD.	OVER	UNDER	APRIL CURR. Alloc.	MARCH CURR. NET	APRIL CURR. Alloc.	DATE	PIPE
CONTINENTAL OIL CO.	Lockhart B-1	6 P	1-22-36	160	1.00	102,386	3,572	3,572	23,581	122,325	117,335	25,956	103,824	103,824	Cont.

W. F. OIL CORP.	Mattern, H.T. A	1 O	24-21-36	160	1.00	137,503	57,905	57,905	23,581	103,179	-131,029	25,956	25,956	S.I. Gulf
	Ramsey B	2 E	25-21-36	160	1.00	-154,610	-0	-0	23,581	-131,029		25,956	25,956	

SINCLAIR OIL & GAS CO.	Brownlee	4 N	25-21-36	160	1.00	2,621	37,497	34,876	23,581	-11,295	25,956	25,956	25,956	EP
POOL TOTALS					4.00	87,900	104,034	139,486 (16,134)	94,324	78,190	103,824			

BLINERRY POOL

April Nominations 1,713,568  
Plus Feb. Overage 583,948  
March Nominations 2,273,536  
Less March Curr. Allow. -2,782,169  
-508,633  
1,788,883  
-2,000  
1,786,883

AMERADA PET. CORP.	Baker, A. B.	3 I	10-22-37	80	.50	-26,871	5,915	32,786	19,028	-13,758	12,197	24,394	24,394	PB
	State DA	4 I	16-21-37	160	1.00	106,661	19,538	87,123	38,055	125,178	24,394	24,394	24,394	PB
	Walden	7 N	15-22-37	160	1.00	74,031	14,772	59,259	38,055	97,314	24,394	24,394	24,394	PB
	Wood	10 H	22-22-37	160	1.00	7,325	41,871	34,546	38,055	3,509	24,394	24,394	24,394	PB

ANDERSON FRICHARD OIL CORP.	Lee	1 H	23-22-37	80	.50	N.C.	N.C.		N.C.	N.C.	N.C.			PB
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BLINERY POOL CONT'D													
OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	FEB. NET ALLOW.	FEB. PROD.	OVER	UNDER	MARCH CURR. ALLOW.	MARCH NET ALLOW.	APRIL CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	6,645	33,448	26,803		38,055	11,252 ✓	24,394		SU
CITIES SERVICE OIL CO.	7 P	3-22-37	160	1.00	10,204	39,103	28,899		38,055	9,156 ✓	24,394		PB
Brunson C	1 E	15-21-37	80	.50	-48,390	13,438	61,828		19,028	-42,800 ✓	12,197		EP
State S													
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	68,967	12,069		56,898	38,055	94,953 ✓	24,394		EP
Lockhart B-11													
FAMARISS PETROLEUM CORP.	1 J	4-21-37	120	.75	21,003	31,020	10,017		28,541	18,524 ✓	18,296		SU
E.C.Hill													
GULF OIL CORP.	1 J	25-22-37	120	.75	67,724	10,705		57,019	28,541	85,560 ✓	18,296		Gulf
Amada	4 O	28-21-37	160	1.00	59,238	21,775		37,463	38,055	75,518 ✓	24,394		PB
Carson, J.N.	6 A	10-22-37	160	1.00	5,238	38,222	32,984		38,055	5,071 ✓	24,394		PB
Eaves	4 H	22-21-37	160	1.00	-8,493	37,856	46,349		38,055	-8,294 ✓	24,394		PB
Eubank	2 C	19-22-38	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		PB
Gutman	7 C	14-22-37	160	1.00	10,488	34,106	23,618		38,055	14,437 ✓	24,394		PB
Hugh	9 G	28-21-37	160	1.00	-2,211	45,766	47,977		38,055	-9,922 ✓	24,394		PB
King	4 A	16-21-37	150	1.00	18,653	23,068	4,415		38,055	33,640 ✓	24,394		PB
Leonard E	10 H	32-21-37	160	N.C.	N.C.	N.C.		22,283	N.C.	N.C.	N.C.		Gulf
McCormack	6 O	34-21-37	160	1.00	40,704	18,421		48,570	38,055	60,338 ✓	24,394		PB
Owen, Mark	5 D	30-22-38	160	1.00	48,711	141			38,055	86,625 ✓	24,394		EP&G
Vivian													
HUMBLE OIL & RFG. CO.	2 I	22-22-37	160	N.C.	N.C.	N.C.	4,846		N.C.	N.C.	N.C.		EP
Ferrel	11 J	9-22-37	160	1.00	12,818	17,664			38,055	33,209 ✓	24,394		EP
Greenwood, J.L.	4 B	34-21-37	160	1.00	22,913	3,614		19,299	38,055	57,354 ✓	24,394		EP
Hardison	8 I	27-21-37	160	1.00	11,139	3,240		7,899	38,055	45,954 ✓	24,394		EP
Hardison B	12 A	2-22-37	160	1.00	51,270	20,623	764	30,647	38,055	68,702 ✓	24,394		EP
N.M. St. S	14 C	"	160	1.00	34,849	35,613			38,055	37,291 ✓	24,394		EP
"	21 L	"	160	1.00	-585	20,122	20,707		38,055	17,348 ✓	24,394		EP
Penrose	1 B	13-22-37	160	1.00	67,050	13,655		53,395	38,055	91,450 ✓	24,394		EP

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-E

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF MAY 1955

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The Commission held public hearing at Santa Fe, New Mexico, on April 20, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of May, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat,  
Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of May, 1955, is 10,706,326 MCF. The individual pool nominations, which total 10,706,326 MCF, are as follows:

Arrow	85,726 MCF
Blinebry	1,570,060
Byers-Queen	13,705
Eumont	3,750,436
Jalmat	3,741,730
Justis	33,777
Tubb	1,510,892

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of May, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 10,706,326 MCF without causing waste during the month of May, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of May, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	85,726
Blinebry	1,570,060
Byers-Queen	13,705
Eumont	3,750,436
Jalmat	3,741,730
Justis	33,777
Tubb	1,510,892

(2) That the allocation hereby set for the month of May, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of May, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 28th., day of April, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir

Arrow	85,726
Blinebry	1,570,060
Byers-Queen	13,705
Eumont	3,750,436
Jalmat	3,741,730
Justis	33,777
Tubb	1,510,892

(2) That the allocation hereby set for the month of May, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of May, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-372-A, R-373-A, R-374-A, R-375-A, R-376-A and R-520.

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

DONE at Santa Fe, New Mexico, this 28th. day of April, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir



NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

May Nominations	85,726
Less March Underage	-28,293
April Nominations	86,495
Less April Current Allowable	-103,324
May Current Allocation	-17,322
	40,104
	57,433

TRATOR	WELL	UNIT	S.I.R.	NO.	FACTOR	MARCH NET ALLOW.	MARCH PROD.	OVER	UNDER	APRIL CURR. ALLOW.	APRIL NET ALLOW.	MAY CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
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CONTINENTAL OIL CO.	Lockhart B-1	6 P	1-22-36	100	1.00	122,375	6,577		115,793	25,956	141,754	10,026		Cont.
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GULF OIL CORP.	Wattern, H. T. A	1 O	24-21-36	160	1.00	103,179	45,165		58,014	25,956	83,970	10,026		Gulf
	Ramsey B	2 E	25-21-36	160	1.00	-131,029	-0-	131,029		25,956	-105,673	10,026	5/1	Gulf

SINCLAIR OIL & GAS CO.	Brownlee	4 N	25-21-36	160	1.00	-11,295	3,195	14,490		25,956	11,466	10,026		E.P.
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POOL TOTALS					4.00	83,230	54,937	145,519	173,812 (28,293)	103,324	132,117	40,104		
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May Nominations	1,570,060
Less March Underage	-798,699
	771,361

April Nominations	1,713,568
Less April Current Allowable	-1,805,938
	-92,370

May Current Allocation	-92,370
Less Marginal Allocation	-2,000
Total Non-Marginal Allocation	676,991

AMERADA PET. CORP.	Baker, A. B.	3 I	10-22-37	80	.50	-13,758	9,188	22,946		12,197	-10,749	4,529		P.B.
	State DA	4 I	16-21-37	160	1.00	125,178	16,276		108,902	24,394	133,296	9,057		P.B.
	Walden	7 N	15-22-37	160	1.00	97,314	16,254		81,060	24,394	105,454	9,057		P.B.
	Wood	10 H	22-22-37	160	1.00	3,509	14,920	11,411		24,394	12,983	9,057		P.B.

BLINNEY POOL CONT'D

OPERATOR LEASE	WELL UNIT	S.T.R.	NO. ACRES	FACTOR	MARCH NET ALLOW.	MARCH PROD.	OVER	UNDER	APRIL CURR. ALLOW.	APRIL NET ALLOW.	MAY CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
ANDERSON FRICARD OIL CORP. Lee	1 H	23-22-37	80	N.C.	N.C.	N.C.	✓		N.C.	N.C.	N.C.		F.B.
AZTEC OIL & GAS CO. Dauron	2 A	10-21-37	160	1.00	11,252	34,508		23,256	24,394	1,138	9,057		S.U.
CITIES SERVICE OIL CO. Brunson C State S	7 P 1 E	3-22-37 15-21-37	160 30	1.00 .50	9,156 -42,800	25,686 2,124		16,530 44,924	24,394 12,197	7,864 -32,727	9,057 4,529		F E.P.
CONTINENTAL OIL CO. Lockhart B-11	8 O	11-21-37	160	1.00	94,953	18,109		76,844	24,394	101,238	9,057		E.P.
FAVARISS PETROLEUM CORP. E. C. Hill	1 J	4-21-37	120	.75	18,524	30,343		11,819	18,296	6,477	6,793		S.U.
GULF OIL CORP. Amarda Carson, J. N. Eaves Eubank Gutman Hugh King Leonard E McCormack Owen, Mark Vivian	1 J 4 O 6 A 4 H 2 C 7 C 9 G 4 A 10 H 6 O 5 D	25-22-37 23-21-37 10-22-37 22-21-37 19-22-38 14-22-37 28-21-37 16-21-37 32-21-37 34-21-37 30-22-38	120 160 160 160 160 160 160 160 160 160 160	.75 1.00 1.00 1.00 1.00 1.00 1.00 1.00 N.C. 1.00 1.00	85,560 75,518 5,071 -8,294 N.C. 14,437 -9,922 33,640 N.C. 60,338 86,625	14,130 18,479 34,224 <del>12,171</del> 15,668 N.C. 26,793 16,474 27,021 24,911 54,093		71,430 57,039 29,153 20,465 N.C. 12,356 26,396 6,619 35,427 32,532	18,296 24,394 24,394 24,394 4,879 24,394 24,394 24,394 N.C. 24,394 24,394	89,726 81,433 -4,759 -3,929 4,879 12,038 -2,002 31,013 N.C. 59,821 56,926	6,793 9,057 9,057 9,057 9,057 9,057 9,057 9,057 N.C. 9,057 9,057		Gulf P.B. P.B. P.B. P.B. P.B. P. P. Gulf P.B. EP&G
HUMBLE OIL & RFG. CO. Ferrel Greenwood, J. L. Hardison Hardison B N. M. St. S " "	2 I 11 J 4 B 8 I 12 A 14 C 21 L	22-22-37 9-22-37 34-21-37 27-21-37 2-22-37 " "	160 160 160 160 160 160 160	N.C. 1.00 1.00 1.00 1.00 1.00 1.00	N.C. 33,209 57,354 45,954 68,702 37,291 17,348	N.C. 19,666 6,561 40,712 20,905 57,644 -0-		13,543 50,793 5,242 47,797 17,348	N.C. 24,394 24,394 24,394 24,394 24,394 24,394	N.C. 37,937 75,187 29,536 72,191 4,041 41,742	N.C. 9,057 9,057 9,057 9,057 9,057 9,057		E.P. E.P. E.P. E.P. E.P. E.P. E.P.

*Handwritten:* 4-25-55

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-3-F

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JUNE 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on May 18, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of June 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat,  
Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of June, 1955, is 11,420,056 MCF. The individual pool nominations, which total 11,420,056 MCF, are as follows:

Arrow	89,043 MCF
Blinebry	1,535,393
Byers-Queen	13,600
Eumont	3,404,677
Jalmat	4,967,797
Justis	59,053
Tubb	1,350,493

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of June 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 11,420,056 MCF without causing waste during the month of June, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of June, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	89,043 MCF
Blinebry	1,535,393
Byers-Queen	13,600
Eumont	3,404,677
Jalmat	4,967,797
Justis	59,053
Tubb	1,350,493

(2) That the allocation hereby set for the month of June, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of June, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 27th. day of May, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir

NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

June Nominations 89,043  
 Less April Underage -109,917  
 May Nominations 85,726  
 Less May Current Allowable -40,104  
 June Current Allocation 45,622  
 24,743

WELL	NO.	APRIL	APRIL	OVER	UNDER	MAY	MAY	JUNE	DATE	PIPE
UNIT	S.T.R.	ACRES	FACTOR	ALLOW.	PROD.	CURR.	NET	CURR.	FIRST	LINE

CONTINENTAL OIL CO. 6 P 1-22-36 160 1.00 141,754 5,077 136,677 10,026 146,703 6,187 Cont.

GULF OIL CORP. 1 O 24-21-36 160 1.00 83,970 15,940 63,030 10,026 73,056 6,187 (2) Gulf  
 H. T. A 2 E 25-21-36 160 1.00 -105,073 -0- 105,073 10,026 -95,047 6,137 S.I. Gulf

SINCLAIR OIL & GAS CO. 4 N 25-21-36 160 1.00 11,466 1,133 10,233 10,026 20,309 6,137 E.P.

POOL TOTALS 4.00 132,117 22,200 105,073 214,990 40,104 150,021 24,743

BLINERY POOL

June Nominations 1,535,393  
 Less April Underage -1,254,102  
 May Nominations 1,570,060  
 Less May Current Allowable -687,781  
 June Current Allocation 832,279  
 Less Marginal Allocation 1,163,570  
 Total Non-Marginal Allocation 2,000  
 1,161,570

AMERDA PET. CORP. 3 I 10-22-37 80 .50 -10,749 11,106 21,855 4,529 -17,326 7,617 P.B.  
 Bakos, A. B. 4 I 16-21-37 160 1.00 133,235 21,657 111,639 9,057 120,696 15,234 P.B.  
 State DA 7 N 15-22-37 160 1.00 105,454 20,169 85,285 9,057 94,342 15,234 P.B.  
 Walder (1)

# ELIMINERY POOL CONT'D

OPERATOR	WELL	NO.	APRIL	APRIL	OVER	UNDER	MAY	MAY	JUNE	DATE	PIPE
LEASE	UNIT	S.T.R.	ACRES	FACTOR	NET ALLOW.	PROD.	ALLOW.	NET ALLOW.	CURR. ALLOW.	FIRST ALLOW.	LINE
AMERADA PET. CORP. CONT'D	10 H	22-22-37	160	1.00	12,983	15,731	2,748	9,057	6,309	15,234	P.B.
ANDERSON PRICHARD OIL CORP.	1 H	23-22-37	80	.50	N.C.	N.C.		1,169	1,169	7,617	P.B.
Lee										5-24-55	
AZTEC OIL & GAS CO.	2 A	10-21-37	160	1.00	1,138	27,406	26,268	9,057	-17,211	15,234	(2) S.U.
CITIES SERVICE OIL CO.	7 P	3-22-37	160	1.00	7,364	24,498	16,634	9,057	-7,577	15,234	P.B.
Ernstson C	1 E	15-21-37	30	.50	-32,727	1,965	34,692	4,529	-30,163	7,617	E.P.
State S											
CONTINENTAL OIL CO.	8 O	11-21-37	160	1.00	101,238	14,641		86,597	-9,057	95,664	15,234
Lockhart B-11											E.F.
FAMARISS PETROLEUM CORP.	1 J	4-21-37	120	.75	6,477	20,661	14,184	6,793	-7,391	11,426	S.U.
E. C. Hill											
GULF OIL CORP.	1 J	25-22-37	120	.75	89,726	13,622	76,104	6,793	82,897	11,426	Gulf
Amunda	2 G	32-22-38	160	N.C.	N.C.			N.C.	N.C.		
Andrews	4 O	28-21-37	160	1.00	81,433	22,068	59,365	9,057	63,422	15,234	P.B.
Carson, J. N.	6 A	10-22-37	160	1.00	-4,759	16,363	21,122	9,057	-12,065	15,234	P.B.
Eaves	4 H	22-21-37	160	1.00	482	17,887	17,405	9,057	-8,348	15,234	P.B.
Eubank	2 C	19-22-38	160	1.00	4,879	2,910	1,969	9,057	11,026	15,234	P.B.
Gutman	7 C	14-22-37	160	1.00	12,038	24,426	12,388	9,057	-3,331	15,234	P.B.
Hugh	9 G	28-21-37	160	1.00	-2,002	26,423	28,425	9,057	-19,368	15,234	P.B.
King	4 A	16-21-37	160	1.00	31,013	27,522	3,491	9,057	12,548	15,234	P.B.
Leonard E	10 H	32-21-37	160	N.C.	N.C.			N.C.	N.C.		Gulf
McCormack	6 O	34-21-37	160	1.00	59,821	23,472	36,349	9,057	45,406	15,234	P.B.
Owen, Mark	5 D	30-22-38	160	1.00	56,926	42,944	13,982	9,057	23,039	15,234	P.B.
Vivian											
HUMBLE OIL & RFG. CO.	2 I	22-22-37	160	N.C.	N.C.			N.C.	N.C.		E.P.
Ferrel	11 J	9-22-37	160	1.00	37,937	28,115	9,822	9,057	18,879	15,234	(2) E.P.
Greenwood, J.L.											

(1) (2) EP&G, P.B.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4

GAS PRORATION ORDER  
FOR PERIOD JULY 1, 1955 THROUGH DECEMBER 31, 1955

The Commission held public hearing at Santa Fe, New Mexico on May 18, 1955, at 9 o'clock a. m., pursuant to legal notice for the purpose of setting the allowable production of gas from the following seven (7) gas pools in Lea County, New Mexico for the six-month period, July 1, 1955 through December 31, 1955.

Arrow, Blinebry, Byers-Queen, Eumont,  
Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed seven (7) gas pools for the period July 1, 1955 through December 31, 1955 is 77,111,007 MCF. The individual pool nominations, which total 77,111,007 MCF, are as follows:

Arrow	475,816 MCF
Blinebry	9,989,827
Byers-Queen	21,021
Eumont	22,276,828
Jalmat	34,997,038
Justis	410,404
Tubb	8,940,073

(2) The potential producing capacity of all gas wells in the seven (7) gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed seven (7) gas pools should be limited, allocated and distributed during the six month proration period commencing July 1, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven (7) gas pools listed above can produce a total of 77,111,007 MCF without causing waste within the six-month proration period commencing July 1, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the six-month proration period commencing July 1, 1955, the total allowable production to be assigned the seven (7) allocated gas pools in Lea County be and the same hereby is as follows:

Arrow	475,816 MCF
Blinebry	9,989,827
Byers-Queen	21,021
Eumont	22,276,828
Jalmat	34,997,038
Justis	410,404
Tubb	8,940,073

(2) The allocation hereby set for said six-month proration period in the seven (7) allocated pools in Lea County, New Mexico shall be in accordance with Orders R-520, R-586 and R-610 and the Commission's Rules and Regulations.

(3) The total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A", attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers supplemental nominations and actual gas production, in accordance with Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 27th. day of May, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir



SCHEDULE "A"

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
ARROW	79,742	83,451	76,322	79,235	75,066	82,000	475,816
BLINEBRY	1,391,591	1,604,010	1,309,741	1,694,938	1,826,804	2,162,743	9,989,827
BYERS-QUEEN	3,255	3,255	3,300	3,485	3,751	3,975	21,021
EUMONT	2,993,589	3,304,140	2,874,658	3,814,850	4,358,861	4,930,730	22,276,828
JALMAT	5,558,369	6,495,827	5,235,069	5,697,178	5,347,486	6,663,109	34,997,038
JUSTIS	67,662	79,716	63,045	66,013	58,966	75,002	410,404
TUBB	1,218,906	1,413,802	1,172,545	1,504,315	1,685,086	1,945,419	8,940,073
						TOTAL-	77,111,007

All figures in MCF @ 60°F & 15,025 P.S.I.A.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-1

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JULY, 1955

The Commission held public hearing at Santa Fe, New Mexico, on June 15, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of July, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of July, 1955, is 8,332,946 MCF. The individual pool nominations, which total 8,332,946 MCF, are as follows:

Arrow	83,882MCF
Blinebry	984,691
Byers-Queen	4,255
Eumont	2,426,734
Jalmat	3,940,252
Justis	45,558
Tubb	847,574

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of July, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 8,332,946 MCF without causing waste during the month of July, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of July, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	83,882
Blinebry	984,691
Byers-Queen	4,255
Eumont	2,426,734
Jalmat	3,940,252
Justis	45,558
Tubb	847,574

(2) That the allocation hereby set for the month of July, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of July, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 28th day of June, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ga

NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

July Nominations	83,882
Less May Underage	82,552
June Nominations	89,043
Less June Current Allow.	24,748
July Current Alloc.	64,295
	65,625

1,330

OPERATOR	WELL	S.T.R.	NO. ACRES	FACTOR	MAY NET ALLOW.	MAY PROD.	OVER	UNDER	JUNE CRR. ALLOW.	JUNE NET ALLOW.	JULY CRR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	6 P	1-22-36	160	1.00	146,703	620		146,033	6,187	152,270	13,125		Cont.

GULF OIL CORP.	1 O	24-21-36	320	2.00	78,056	59,199	✓	18,857	6,187	25,044	26,250		(2) Gulf
Mattern, H. T. A	2 E	25-21-36	160	1.00	-95,047	-0	✓	95,047	6,187	-88,860	13,125		Gulf

S.I.

SINCLAIR OIL & GAS CO.	4 N	25-21-36	160	1.00	20,309	7,650	✓	12,659	6,187	18,046	13,125		EP
Brownlee								177,599	24,748	107,300	65,625		
POOL TOTALS				5.00	150,021	67,469		(82,552)					

BLINEBRY POOL

July Nominations	984,691
Less May Underage	478,379
June Nominations	1,535,393
Less June Curr. Allow.	1,187,588
July Curr. Alloc.	347,805
Less Marginal Alloc.	854,117
Total Non-Marginal Alloc.	19,000
	835,117

506,312

AMERADA PET. CORP.	3 I	10-22-37	80	.50	-17,326	-0	✓	17,326	7,617	-9,709	5,531		PB
Baker, A.B.	4 I	16-21-37	160	1.00	120,696	21,209	✓	99,487	15,234	114,721	11,061		PB
State DA	7 N	15-22-37	160	1.00	94,342	20,172	✓	74,170	15,234	89,404	11,061		PB
Walden	10 H	22-22-37	160	1.00	6,309	19,161	✓	15,234	2,382		11,061		PB
Wood													

(1)

BLINERY POOL CONT'D

OPERATOR	WELL	UNIT	S.T.R.	NO.	ACRES	FACTOR	MAY NET	MAY PROD.	OVER	UNDER	JUNE CURR.	JUNE NET	JULY CURR.	DATE FIRST	PIPE
LEASE							ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	LINE
ANDERSON RICHARD OIL CORP.	1 I		23-22-37	80		.50	1,169	5,269	4,100		7,617	3,517	5,531		PB
AZTEC OIL & GAS CO.	2 A		10-21-37	160		1.00	-17,211	18,313	35,524		15,234	-20,290	11,061		(2)SU
CITIES SERVICE OIL CO.	7 P		3-22-37	160		1.00	-7,577	12,596	20,173		15,234	-4,939	11,061		PB
Brunson C	1 E		15-21-37	80		.50	-30,163	1,177	31,340		7,617	-23,723	5,531		EP
State S															
CONTINENTAL OIL CO.	8 O		11-21-37	160		1.00	95,654	16,962		78,692	15,234	93,926	11,061		EP
Lockhart B-11															
FAMARISS PETROLEUM CORP.	1 J		4-21-37	120		.75	-7,391	15,151	22,542		11,426	-11,116	8,296		SU
E.C.Hill															
GULF OIL CORP.	1 J		25-22-37	120		.75	82,897	6,199		76,698	11,426	88,124	8,296		GULF
Amada	2 G		32-22-38	160		N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		PB
Andrews	4 O		28-21-37	160		1.00	68,422	23,797		44,625	15,234	59,859	11,061		PB
Carsen, J. N.	6 A		10-22-37	160		1.00	-12,065	20,999	33,064		15,234	-17,830	11,061		PB
Eaves	4 H		22-21-37	160		1.00	-4,901	11,198	16,099		15,234	-865	11,061		PB
Eubank	2 C		19-22-38	160		1.00	11,026	14,988	3,962		15,234	11,272	11,061		PR
Gutman	7 C		14-22-37	160		1.00	-3,331	23,717	27,048		15,234	-11,814	11,061		PR
Hugh	9 G		28-21-37	160		1.00	-19,368	8,062	27,430		15,234	-12,196	11,061		PB
King	4 A		16-21-37	160		1.00	12,548	19,149	6,601		15,234	8,633	11,061		PB
Leonard E	10 H		32-21-37	160		1.00	N.C.	N.C.		21,803	15,234	15,234	11,061		Gulf
McCormack	6 O		34-21-37	160		1.00	45,406	23,603			15,234	37,037	11,061		PB
Owen, Mark	5 D		30-22-38	160		1.00	26,100	44,193	18,093		15,234	-2,859	11,061		PB
Vivian															
HUMBLE OIL & RFG. CO.	2 I		22-22-37	160		N.C.	N.C.	N.C.	17,859		N.C.	N.C.	N.C.		EP
Ferrel	11 J		9-22-37	160		1.00	18,879	36,738		66,621	15,234	-2,625	11,061		(2)EP
Greenwood, J.L.	4 B		34-21-37	160		1.00	74,851	8,230			15,234	81,855	11,061		(2)EP
Hardison	8 I		27-21-37	160		1.00	2,014	23,511	21,497		15,234	-6,263	11,061		(2)EP
Hardison B	12 A		2-22-37	160		1.00	55,779	27,612	28,167		15,234	43,401	11,061		(2)EP
N.M.St. S	14 C		2-22-37	160		1.00	-10,808	25,447	36,255		15,234	-21,021	11,061		(2)EP
N.M.St. S															

(1)(2) PB

6-1-55

Gulf

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-2

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF AUGUST 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on July 14, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of August, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat,  
Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of August, 1955, is 11,095,688 MCF. The individual pool nominations, which total 11,095,688 MCF, are as follows:

Arrow	96,421
Blinebry	1,333,784
Byers-Queen	4,255
Eumont	2,979,867
Jalmat	5,496,064
Justis	65,934
Tubb	1,119,363

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of August, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 11,095,688 MCF without causing waste during the month of August, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of August, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	96,421
Blinebry	1,333,784
Byers-Queen	4,255
Eumont	2,979,867
Jalmat	5,496,064
Justis	65,934
Tubb	1,119,363

(2) That the allocation hereby set for the month of August, 1955 in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of August, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 14th., day of July, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir

August Nominations	96,421
Less June Underage	<u>3,900</u>
	92,521
July Nominations	83,882
Less July Current Allow.	<u>78,225</u>
	5,657
August Current Allocation	98,178
Less Marginal Allocation	<u>8,000</u>
Non-Marginal Allocation	90,178

[illegible]



ELINEBRY POOL CONT'D													
OPERATOR	WELL	S.T.R.	NO.	FACTOR	JUNE NET	JUNE PROD.	OVER	UNDER	JULY CURR.	JULY NET	AUG. CURR.	DATE FIRST	PIPE LINE
LEASE	UNIT		ACRES		ALLOW.				ALLOW.	ALLOW.	ALLOW.	ALLOW.	
AMERADA PET. CORP. CONT'D													
Walden	7 N	15-22-37	160	1.00	89,404	20,726 ✓		68,678	11,061	79,739	18,316		PB
Wood	10 H	22-22-37	160	1.00	2,382	5,841 ✓	3,459		11,061	7,602	18,316		PB
ANDERSON RICHARD OIL CORP.													
Lee	1 I	23-22-37	80	.50	3,517	1,943 ✓		1,574	5,531	7,105 ✓	9,158		PB
AZTEC OIL & GAS CO.													
Dauron	2 A	10-21-37	160	1.00	-20,290	17,103 ✓	37,393		11,061	-26,332 ✓	18,316	S.I.	SU(2)
CITIES SERVICE OIL CO.													
Brunson C	7 P	3-22-37	160	1.00	-4,939	- 0 - ✓	4,939		11,061	6,122 ✓	18,316		PB
State S	1 E	15-21-37	80	.50	-23,723	5,426 ✓	29,149		5,531	-23,618 ✓	9,158	S.I.	EP
CONTINENTAL OIL CO.													
Lockhart B-11	8 O	11-21-37	160	1.00	93,926	17,498 ✓		76,428	11,061	87,489 ✓	18,316		EP
FAMARISS PETROLEUM CORP.													
E.C.Hill	1 J	4-21-37	120	.75	-11,116	11,719 ✓	22,835		8,296	-14,539 ✓	13,737		SU
GULF OIL CORP.													
Amanda	1 J	25-22-37	120	.75	88,124	6,199 ✓		81,925	8,296	90,221 ✓	13,737		Gulf
Andrews	2 G	32-22-38	160	N.C.	N.C.	N.C.			N.C.	N.C.	N.C.		PB
Carson, J.N.	4 O	28-21-37	160	1.00	59,859	20,551 ✓		39,308	11,061	50,369 ✓	18,316		PB
Eaves	6 A	10-22-37	160	1.00	-17,830	- 0 - ✓	17,830		11,061	-6,769 ✓	18,316		PB
Eubank	4 H	22-21-37	160	1.00	-865	- 0 - ✓	865		11,061	10,196 ✓	18,316		PB
Gutman	2 C	19-22-38	160	1.00	11,272	4,915 ✓		6,357	11,061	17,418 ✓	18,316		PB
Hugh	7 C	14-22-37	160	1.00	-11,814	- 0 - ✓	11,814		11,061	- 753 ✓	18,316		PB
King	9 G	28-21-37	160	1.00	-12,196	- 0 - ✓	12,196		11,061	-1,135 ✓	18,316	S.I.	PB
Leonard E	4 A	16-21-37	160	1.00	8,633	26,493 ✓	17,860		11,061	-6,799 ✓	18,316		PB
McCormack	10 H	32-21-37	160	1.00	15,234	- 0 - ✓		15,234	11,061	26,295 ✓	18,316		Gulf
Owen, Mark	6 O	34-21-37	160	1.00	37,037	21,872 ✓		15,165	11,061	26,226 ✓	18,316		PB
Vivian	5 D	30-22-38	160	1.00	-2,859	17,731 ✓	20,590		11,061	-9,529 ✓	18,316		EP(1)G(2)PB
HUMBLE OIL & RFG. CO.													
Ferrel	2 I	22-22-37	160	1.00	N.C.	N.C.			6,779	6,779 ✓	18,316	6-13-55	EP
Greenwood, J.L.	11 J	9-22-37	160	1.00	-2,625	23,667 ✓	26,292		11,061	-15,231 ✓	18,316		EP(2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-3

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF SEPTEMBER 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on August 17, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of September, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat,  
Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of September, 1955, is 11,442,782 MCF. The individual pool nominations, which total 11,442,782 MCF, are as follows:

Arrow	94,906
Blinebry	1,374,547
Byers-Queen	4,400
Eumont	3,067,824
Jalmat	5,687,983
Justis	66,723
Tubb	1,146,399

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of September, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 11,442,782 MCF without causing waste during the month of September, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of September, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	94,906
Blinebry	1,374,547
Byers-Queen	4,400
Eumont	3,067,824
Jalmat	5,687,983
Justis	66,723
Tubb	1,146,399

(2) That the allocation hereby set for the month of September, 1955, in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of September, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 17th., day of August, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

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NOTE: S. I. Indicates that the well is over produced beyond the allowed tolerance and must be shut in.

ARROW POOL

September Nominations	94,906
Plus July Overage	<u>195,869</u>
August Nominations	96,421
Less Aug. Current Allowable	<u>-98,178</u>
	290,775
Total September Allocation	- 1,757
Less Marginal Allocation	<u>289,018</u>
Total Non-Marginal Allocation	- 8,000
	<u>281,018</u>

OPERATOR	WELL	NO.	FACTOR	JULY NET ALLOW.	JULY PROD.	OVER	UNDER	AUG. CURR. ALLOW.	AUG. NET ALLOW.	SEPT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
CONTINENTAL OIL CO.	UNIT S.T.R.	ACRES										
Lockhart B-1	6 P	1-22-36	160 (1)*1.00	*26,035	*26,035			*3,000	*8,000	*8,000		Cont.
GULF OIL CORP.												
Wattern, H.T. A	1 O	24-21-36	320	-14,061	62,005	76,066	36,362	-39,704	113,314		(2) Gulf	
Ramsey B	2 E	25-21-36	160	-75,735	-0-	75,735	18,181	-57,554	56,657		(SI) Gulf	
MAPENZA OIL CO.												
R. H. Gill	1 M	31-21-37	154	8,927	7,275		1,652	17,454	19,106	54,391		P.B.
SINCLAIR OIL & GAS CO.												
Brownlee	4 N	25-21-36	160	-1,961	43,759	45,720	18,181	-27,539	56,657			E.P.
POOL TOTALS				5.96	-56,795	139,074	1,652	98,178	-97,691	289,019		
			*1.00			(195,369)						

BLINERY POOL

September Nominations	1,374,547
Plus July Overage	<u>62,436</u>
August Nominations	1,333,784
Less Aug. Current Allowable	<u>-1,421,016</u>
Total Sept. Allocation	- 87,232
Less Marginal Allocation	<u>1,349,751</u>
Total Non-Marginal Allocation	- 29,000
	<u>1,320,751</u>

AMERADA PET. CORP.  
Baker, A. B.

3 I	10-22-37	80	.50	-6,531	-0-	6,531	9,158	2,627	8,632	P.B.
					(1)					

BLINEERY POOL CONT'D

OPERATOR	WELL	NO.	FACTOR	JULY NET ALLOW.	JULY PROG.	OVER	UNDER	AUG. CURR. ALLOW.	AUG. NET ALLOW.	SEPT. CURR. ALLOW.	DATE FIRST ALLOW.	PIPE LINE
<u>AMERADA PET. CORP. CONT'D</u>												
State DA	4 I	16-21-37	160	1.00	105,234	18,174	87,110	18,316	105,426	17,265		P.B.
Walden	7 N	15-22-37	160	1.00	79,739	20,163	59,576	18,316	77,392	17,265		P.B.
Wood	10 H	22-22-37	160	1.00	7,602	-0-	7,602	18,316	25,918	17,265		P.B.
<u>ANDERSON PRICHARD OIL CORP.</u>												
Lee	1 I	23-22-37	80	.50	7,105	5,412	1,687	9,152	10,845	8,632		P.B.
<u>AZTEC OIL &amp; GAS CO.</u>												
Duron	2 A	10-21-37	160	1.00	-26,332	14,539	40,921	18,316	-22,605	17,265	(SI)	(2)S.U.
<u>CITIES SERVICE OIL CO.</u>												
Brunson C	7 P	3-22-37	160	1.00	6,122	5,558	564	18,316	13,880	17,265		P.B.
State S	1 E	15-21-37	80	.50	-23,618	4,197	27,815	9,153	-13,657	8,632	(SI)	E.P.
<u>CONTINENTAL OIL CO.</u>												
Lockhart B-11	8 O	11-21-37	160	1.00	87,489	12,447	75,042	18,316	93,358	17,265		E.P.
<u>FAMARISS PETROLEUM CORP.</u>												
E. C. Hill	1 J	4-21-37	120	.75	-14,539	11,065	25,604	13,737	-11,867	12,949		S.U.
<u>GULF OIL CORP.</u>												
Amarda	1 J	25-22-37	120	.75	90,221	6,076	84,145	13,737	97,882	12,949		Gul
Andrews	2 C	32-22-38	160	N.C.	N.C.	N.C.		N.C.	N.C.	N.C.		P.B.
Carson, J. N.	4 O	28-21-37	160	1.00	50,363	18,893	31,476	18,316	49,792	17,265		P.B.
Eaves	6 A	10-22-37	160	1.00	-6,769	-0-	6,769	18,316	11,547	17,265		P.B.
Eubank	4 H	22-21-37	160	1.00	10,196	-0-	10,196	18,316	28,512	17,265		P.B.
Gutman	2 C	19-22-38	160	1.00	17,418	8,845	8,573	13,316	26,889	17,265		P.B.
Hugh	7 C	14-22-37	160	1.00	-753	-0-	753	18,316	17,563	17,265		P.B.
King	9 G	23-21-37	160	1.00	-1,135	-0-	1,135	18,316	17,181	17,265		P.B.
Leonard E	4 A	16-21-37	160	1.00	-6,799	2,478	9,277	18,316	9,039	17,265		P.B.
McCormack	10 H	32-21-37	160	1.00	26,295	5,282	21,013	18,316	39,329	17,265		Gulf
Omco, Mark	6 O	34-21-37	160	1.00	26,226	20,111	6,115	18,316	24,431	17,265		P.B.
Vivian	5 D	30-22-38	160	1.00	-9,529	1,304	10,833	18,316	7,483	17,265		E.P.(1)C(2)P.B.
<u>HUDELL OIL &amp; RFG. CO.</u>												
Ferris	2 I	22-22-37	160	1.00	6,779	17,340	10,561	18,316	7,755	17,265		E.P.
						(2)						

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-4

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH OF  
OCTOBER 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on September 15, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of October, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of October, 1955, is 12,655,628 MCF. The individual pool nominations, which total 12,655,628 MCF, are as follows:

Arrow	86,479
Blinebry	1,633,299
Byers-Queen	4,685
Eumont	3,793,934
Jalmat	5,607,367
Justis	71,679
Tubb	1,458,185

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated, and distributed during the month of October, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 12,655,628 MCF without causing waste during the month of October, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of October, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be, and the same hereby is as follows:

Arrow	86,479
Blinebry	1,633,299
Byers-Queen	4,685
Eumont	3,793,934

Jalmat	5,607,367
Justis	71,679
Tubb	1,458,185

(2) That the allocation hereby set for the month of October, 1955, in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of October, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 15th day of September, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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BLINEBRY POOL CONT'D

OPERATOR	WELL	NO.	AUG.	AUG.	OVER	UNDER	SEPT.	SEPT.	OCT.	DATE
LEASE	UNIT S.T.R.	ACRES	FACTOR	NET ALLOW.	PRCD	ALLOW.	CURR.	NET ALLOW.	CURR.	FIRST ALLOW.
<u>WELLS CONNECTED TO BERTIAN BASIN PIPELINE CO. CONT'D</u>										
SINCLAIR OIL & GAS CO. CONT'D										
State 367	3 K	36-21-37	120	N.C.	N.C.					
SKELLY OIL CO.										
Baker B	15 J	10-22-37	240	1.50	39,414	18,312	21,102	25,897	45,999	28,899
LANDLIND OIL & GAS CO.										
Owen Eva A	2 F	3-22-37	80	.50	61,636	13,307	48,329	8,632	56,961	9,633
Owen Eva B	4 N	34-21-37	160	1.00	3,451	785	2,666	17,265	19,931	19,266
Sou. Royalty A	5 Q	4-21-37	160	1.00	22,698	5,560	17,138	17,265	34,403	19,266
Sou. Royalty A	6 H	9-21-37	160	1.00	20,584	3,034	17,550	17,265	34,815	19,266
State C Tr.12	4 F	16-21-37	160	1.00	28,370	13,476	14,894	17,265	32,159	19,266
State C Tr.13	5 E	36-21-37	160	1.00	25,812	12,677	13,135	17,265	30,400	19,266
SUNRAY MID-CONTINENT OIL CO.										
State Land 15	3 O	16-21-37	160 (1)	*1.00	*1,862	*1,862	*3,009	*3,000	*3,000	
THE TEXAS CO.										
Blinebry NCT-1 F D	1 O	19-22-38	160	1.00	25,579	13,873	11,706	17,265	28,971	19,266
WESTERN OIL FIELDS, INC.										
Gulf Hill	1 R	4-21-37	160	1.00	22,973	8,676	14,297	17,265	31,562	19,266
PIPELINE TOTAL					1,037,980	286,537	1,926	753,369	648,170	1,399,613
AZTEC OIL & GAS CO.										
Daeron	2 A	10-21-37	160	1.00	-22,605	13,901	36,506	17,265	-19,241	19,266
FAWARRISS PET. CORP.										
Hill	1 J	4-21-37	120	.75	-11,867	10,467	22,334	12,949	-9,385	14,449
PIPELINE TOTAL					-34,472	24,368	58,840	30,214	-28,626	33,715
POOL TOTALS					81.50	1,341,446	1,186,182	981,609	1,136,873	1,349,768
					*5.00				1,505,032	1,502,848
									(155,264)	

(6)

(S.I.) (2)



BLINEBRY POOL CONT'D

OPERATOR	WELL	NO.	ACRES	FACTOR	AUG. NET ALLOW.	AUG. PROD.	OVER	UNDER	SEPT. CURR. ALLOW.	SEPT. NET ALLOW.	OCT. CURR. ALLOW.	DATE FIRST ALLOW.
LEASE	UNIT S.T.R.											
WELLS CONNECTED TO PERMIAN BASIN PIPELINE CO. CONT'D												
GULF OIL CORP. CONT'D												
Eubank	4 H	22-21-37	160	1.00	28,512	10,405		18,107	17,265	35,372	19,266	
Gutman	2 C	19-22-38	160	1.00	26,389	7,985		18,904	17,265	36,169	19,266	
Hugh	7 C	14-22-37	160	1.00	17,563	2,402		15,161	17,265	32,426	19,266	
Eunice King	9 C	28-21-37	160	1.00	17,181	1,473		15,708	17,265	32,973	19,266	
Leonard E. St.	4 A	16-21-37	160	1.00	9,039	-0-		9,039	17,265	26,304	19,266	
Owen Mark	6 O	34-21-37	160	1.00	24,431	9,058		15,373	17,265	32,638	19,266	
MAGNOLIA PET. CO.												
Brunson Argo	6 E	10-22-37	160	1.00	22,383	7,356		15,027	17,265	32,292	19,266	
Carson, E. O.	8 F	33-21-37	160	1.00	24,598	8,917		15,681	17,265	32,946	19,266	
Corrigan H	7 P	33-21-37	160 (1)	*1.00	*4,614	*4,614		19,252	17,265	*7,000	*7,000	
Long, S. E.	8 J	11-22-37	160	1.00	21,605	2,353		14,227	17,265	36,517	19,266	
Marshall Unit	3 D	34-21-37	160	1.00	14,227	-0-		14,227	17,265	31,492	19,266	
Williamson	1 A	23-21-37	40	.25	-1,926	-0-	1,926		4,316	2,390	4,817	
OHIO OIL CO.												
Edith Butler A	1 L	18-22-38	160 (1)	*1.00	*4,590	*4,590		14,327	17,265	*8,000	*8,000	
Lynch, Walter	4 D	1-22-37	160	1.00	16,837	2,510		6,321	17,265	31,592	19,266	
Marshall B	4 L	27-21-37	160	1.00	6,321	-0-		15,087	17,265	23,586	19,266	
Owen	2 M	35-21-37	160	1.00	21,687	6,600		15,655	17,265	32,352	19,266	
Trick C	2 O	15-21-37	160	1.00	21,811	6,156		14,387	17,265	31,652	19,266	
ou Wortham	9 E	11-22-37	160	1.00	16,949	2,562		11,364	17,265	28,629	19,266	
Lou Wortham	12 H	11-22-37	160	1.00	24,819	13,455						
PENROSE, NEVILLE G., INC.												
Hinton	3 N	12-22-37	160	1.00	25,369	10,491		14,878	17,265	32,143	19,266	
ROMAN OIL CO.												
Elliott B-13Fed.	1 E	13-22-37	160	1.00	93,299	19,113		74,186	17,265	91,451	19,266	
Elliott 4 B-15	4 A	15-22-37	80	.50	9,829	3,560		6,269	8,632	14,901	9,633	
Walden C	3 C	15-22-37	160	1.00	22,938	8,230		14,708	17,265	31,973	19,266	
SINCLAIR OIL & GAS CO.												
Roy Barton	2 B	23-21-37	120	.75	9,109	2,387		6,722	12,949	19,671	14,449	

(5)

(2)

(2)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-5

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF NOVEMBER 1955

---

The Commission held public hearing at Santa Fe, New Mexico, on October 13, 1955, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of November, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis  
and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of November, 1955, is 15,519,376 MCF. The individual pool nominations, which total 15,519,376 MCF, are as follows:

Arrow	87,551
Blinebry	2,084,329
Byers-Queen	5,151
Eumont	4,781,744
Jalmat	6,570,412
Justis	82,429
Tubb	1,907,760

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated and distributed during the month of November, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 15,519,376 MCF without causing waste during the month of November, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of November, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	87,551
Blinebry	2,084,329
Byers-Queen	5,151
Eumont	4,781,744

Jalmat	6,570,412
Justis	82,429
Tubb	1,907,760

(2) That the allocation hereby set for the month of November 1955, in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of November, 1955, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 18th. day of October, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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BLINERY POOL CONT'D

OPERATOR	WELL	NO.	SEPT.	SEPT.	OCT.	OCT.	NOV.	DATE
LEASE	UNIT S.I.R.	ACRES	FACTOR	NET	PROD.	OVER	CURR.	FIRST
				ALLOW.			ALLOW.	ALLOW.
WELLS CONNECTED TO PERMIAN BASIN PIPELINE CO. CONT'D								
GULF OIL CORP. CONT'D								
Andrews	2 G.	32-22-38	160	N.C.	N.C.			
Boyd	3 K.	23-22-37	120	7,338	-0-	7,338	14,449	21,787
J. N. Carson	4 O	28-21-37	160	59,237	17,617	41,620	19,266	60,886
Eaves	6 A	10-22-37	160	28,812	4,855	23,957	19,266	43,223
Eubank	4 H	22-21-37	160	35,372	10,514	24,858	19,266	44,124
Gutman	2 C	19-22-38	160	36,169	12,808	23,361	19,266	42,627
Hugh	7 C	14-22-37	160	32,426	15,377	17,049	19,266	36,315
Eunice King	9 G	28-21-37	160	32,973	7,693	25,280	19,266	44,546
Leonard E. St.	4 A	16-21-37	160	26,304	3,416	22,888	19,266	42,154
Owen Mark	6 O	34-21-37	160	32,638	8,976	23,662	19,266	42,928
MAGNOLIA PET. CO.								
Brunson Argo	6 E	10-22-37	160	32,292	10,060	22,232	19,266	41,498
Carson, E. O.	8 F	33-21-37	160	32,946	10,369	22,577	19,266	41,843
Corrigan H	7 P	33-21-37	160 (1)	*4,272	*4,272	*7,000	*7,000	*7,000
Long, S. E.	8 J	11-22-37	160	36,517	14,148	22,369	19,266	41,635
Marshall Unit	3 D	34-21-37	160	31,492	10,121	21,371	19,266	40,637
Williamson	1 A	23-21-37	40	2,390	-0-	2,390	4,817	7,207
OHIO OIL CO.								
Edith Butler A	1 L	18-22-38	160 (1)	*3,634	*3,634	22,035	19,266	*8,000
Lynch, Walter	4 D	1-22-37	160	31,592	9,554	23,536	19,266	41,304
Marshall B	4 L	27-21-37	160	23,586	-0-	23,586	19,266	42,352
Owen	2 M	35-21-37	160	32,352	8,611	23,741	19,266	43,007
Warlick C	2 O	15-21-37	160	32,920	8,749	24,171	19,266	43,437
Lou Wortham	9 E	11-22-37	160	31,652	7,584	24,068	19,266	43,334
Lou Wortham	12 H	11-22-37	160	28,629	7,113	21,516	19,266	40,782
PENROSE, NEVILLE G, INC.								
Hinton	3 N	12-22-37	160	32,143	8,221	23,922	19,266	43,188
ROMAN OIL CO.								
Elliott B-13 Fed.	1 E	13-22-37	160	91,451	19,650	71,801	19,266	91,067
Elliott 4-B-15	4 A	15-22-37	80	14,901	4,832	10,069	9,633	19,702
Walden C	3 C	15-22-37	160	31,973	7,437	24,536	19,266	43,802

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BLINEERY POOL, CONT'D.											
OPERATOR	WELL	NO.	SEPT.	SEPT.	OVER	OCT.	OCT.	NOV.	DATE		
LEASE	UNIT S.T.R.	ACRES	NET	PROD.		CURR.	NET	CURR.	FIRST		
			ALLOW.			ALLOW.	ALLOW.	ALLOW.	ALLOW.		
WELLS CONNECTED TO PERMAIN BASIN PIPELINE CO., CONT'D											
SINCLAIR OIL & GAS CO.											
Roy Barton	2 B	23-21-37	120	19,671	5,652	14,019	14,449	28,468	16,643		
State 367	3 K	36-21-37	120	431	-0-	431	14,449	14,880	16,643	9-30-55	
SKELLY OIL CO.											
Baker B	15 J	10-22-37	240	46,999	10,849	36,150	28,899	65,049	33,287		
STANOLIND OIL & GAS CO.											
Owen Eva A	2 F	3-22-37	80	56,961	10,587	46,374	9,633	56,007	11,096		
Owen Eva B	4 N	34-21-37	160	19,931	-0-	19,931	19,266	39,197	22,191		
Sou. Royalty A	5 Q	4-21-37	160	34,403	5,651	28,752	19,266	48,018	22,191		
South Royalty A	6 H	9-21-37	160	34,815	33,867	948	19,266	20,214	22,191		
State C Tr. 12	4 F	16-21-37	160	32,159	8,642	23,517	19,266	42,783	22,191		
State C Tr. 13	5 E	36-21-37	160	30,400	7,929	22,471	19,266	41,737	22,191		
SUNRAY MID CONTINENT OIL CO.											
State Land 15	3 O	16-21-37	160 (1)	*1,552	*1,552		*3,000	*3,000	*3,000		
THE TEXAS CO.											
Blinebry NCT-1 F D	1 O	19-22-38	160	28,971	6,667	22,304	19,266	41,570	22,191		
WESTERN OIL FIELDS, INC.											
Gulf Hill	1 R	4-21-37	160	31,562	9,827	21,735	19,266	41,001	22,191		
PIPELINE TOTAL				1,499,021	383,391	1,115,630	764,556	1,880,186	877,903		
AZTEC OIL & GAS CO.											
Dauron	2 A	10-21-37	160	-19,241	8,705	19,266	-8,680	22,191	(S.I.)	(2)	
FAMARISS PET. CORP.											
Hill	1 J	4-21-37	120	-9,385	9,888	14,449	-4,824	16,643			
PIPELINE TOTAL				-28,626	18,593	33,715	-13,504	38,834			
POOL TOTALS				87.00	1,502,532	1,218,811	1,146,805	1,430,526	1,585,194	1,848,666	
				*5.00				(283,721)			

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-4-6

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF DECEMBER 1955

The Commission held public hearing at Santa Fe, New Mexico, on November 16, 1955, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of December, 1955:

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of December, 1955, is 18,008,127 MCF. The individual pool nominations, which total 18,008,127 MCF, are as follows:

Arrow	106,101 MCF
Blinebry	2,608,891
Byers-Queen	5,575
Eumont	6,292,803
Jalmat	6,238,407
Justis	70,354
Tubb	2,685,996

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated and distributed during the month of December, 1955.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 18,008,127 MCF without causing waste during the month of December, 1955, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of December, 1955, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	106,101 MCF
Blinebry	2,608,891
Byers-Queen	5,575
Eumont	6,292,803
Jalmat	6,238,407
Justis	70,354
Tubb	2,685,996

(2) That the allocation hereby set for the month of December, 1955, in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of December, 1955, is hereto attached and made a part hereof, it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 16th day of November, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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PERMIAN BASIN PIPELINE CO. CONT'D

OPERATOR WELL UNIT S.T.R. NO. ACRES FACTOR OCT. NET OCT. PROD. OVER UNDER NOV. CURR. NOV. NET DEC. CURR. DATE FIRST ALLOW.

CITIES SERVICE OIL CO. 7 P 3-22-37 160 1.00 43,416 4,795 38,621 22,191 60,812 25,331

GULF OIL CORP. 1 J 25-22-37 120 .75 110,402 14,085 96,317 16,643 112,960 18,998

Amada 2 G 32-22-38 160 N.C. 21,787 14,260 7,527 16,643 24,170 18,998

Andrews 3 K 23-22-37 120 .75 60,886 19,528 41,358 22,191 63,549 25,331

Boyd 4 O 26-21-37 160 1.00 43,223 3,838 39,385 22,191 61,576 25,331

J.N. Carson 6 A 10-22-37 160 1.00 44,124 8,846 35,278 22,191 57,469 25,331

Eaves 4 H 22-21-37 160 1.00 42,627 4,128 38,499 22,191 60,690 25,331

Eubank 2 C 19-22-38 160 1.00 36,315 3,474 32,841 22,191 55,032 25,331

Gutman 7 C 14-22-37 160 1.00 44,546 4,597 39,949 22,191 62,140 25,331

Hugh 9 G 28-21-37 160 1.00 42,154 1,928 40,226 22,191 62,417 25,331

Eunice King 4 A 16-21-37 160 1.00 42,928 4,034 38,894 22,191 61,085 25,331

Leonard E St. 6 O 34-21-37 160 1.00 41,498 2,518 38,980 22,191 61,171 25,331

Owen Mark 8 F 33-21-37 160 1.00 41,843 3,437 38,406 22,191 60,597 25,331

MAGNOLIA PET. CO. 7 P 33-21-37 160 (1) \*1.00 \*4,050 8,964 32,671 22,191 54,852 25,331

Brunson Argo 8 J 11-22-37 160 1.00 41,635 4,196 36,441 22,191 58,632 25,331

Carson, E.O. 3 D 34-21-37 160 1.00 40,637 2,950 4,257 5,548 9,805 6,333

Corrigan H 1 A 23-21-37 40 .25 7,207 2,950 4,257 5,548 9,805 6,333

Long, S.E. 6 E 10-22-37 160 1.00 41,498 2,518 38,980 22,191 61,171 25,331

Marshall Unit 8 F 33-21-37 160 1.00 41,843 3,437 38,406 22,191 60,597 25,331

Williamson 7 P 33-21-37 160 (1) \*1.00 \*4,050 8,964 32,671 22,191 54,852 25,331

OHIO OIL CO. 1 L 13-22-38 160 (1) \*1.00 \*2,298 1,918 39,386 22,191 61,577 25,331

Edith Butler A 4 D 1-22-37 160 1.00 41,304 3,381 39,471 22,191 61,662 25,331

Lynch, Walter 4 L 27-21-37 160 1.00 42,852 3,643 39,364 22,191 61,555 25,331

Marshall B 2 M 35-21-37 160 1.00 43,007 2,923 40,514 22,191 62,705 25,331

Owen 2 O 15-21-37 160 1.00 43,437 3,525 39,809 22,191 62,000 25,331

Warlick C 9 E 11-22-37 160 1.00 43,384 2,511 38,271 22,191 60,462 25,331

Lou Wortham 12 H 11-22-37 160 1.00 40,782 2,511 38,271 22,191 60,462 25,331

Lou Wortham 12 H 11-22-37 160 1.00 40,782 2,511 38,271 22,191 60,462 25,331

PENROSE, NEVILLE G., INC. 3 N 12-22-37 160 1.00 43,188 32,838 10,350 22,191 32,541 25,331

Hinton 3 N 12-22-37 160 1.00 43,188 32,838 10,350 22,191 32,541 25,331

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## BLINNEY POOL CONT'D

OPERATOR	WELL	NO.	FACTOR	OCT. NET ALLOW.	OCT. PROD.	OVER	UNDER	NOV. CURR. ALLOW.	NOV. NET ALLOW.	DEC. CURR. ALLOW.	DATE FIRST ALLOW.
WELLS CONNECTED TO PERMIAN BASIN PIPELINE CO. CONT'D											
ROWAN OIL CO.											
Elliot B-13 Fed.	1 E	13-22-37	160	1.00	91,067	19,142	71,925	22,191	94,116	25,331	
Elliot B-15	4 A	15-22-37	80	.50	19,702	- 0 -	19,702	11,096	30,798	12,666	
Walden C	3 C	15-22-37	160	1.00	43,802	4,921	38,881	22,191	61,072	25,331	(2)
SINCLAIR OIL & GAS CO.											
Roy Barton	2 B	23-21-37	120	.75	28,463	6,459	22,009	16,643	38,652	18,998	
State 367	3 K	36-21-37	160	1.00	14,880	13,707	1,173	16,643	17,816	25,331	
SKELLY OIL CO.											
Baker B	15 J	10-22-37	240	1.50	65,049	6,258	58,791	33,287	92,078	37,997	
STANCLIND OIL & GAS CO.											
Owen Eva A	2 F	3-22-37	80	.50	56,007	10,307	45,700	11,096	56,796	12,666	
Owen Eva B	4 N	34-21-37	160	1.00	39,197	- 0 -	39,197	22,191	61,388	25,331	
Sou. Royalty A	5 Q	4-21-37	160	1.00	48,018	9,755	38,263	22,191	60,454	25,331	
Sou. Royalty A	6 H	9-21-37	160	1.00	20,214	- 0 -	20,214	22,191	42,405	25,331	
State C Tr.12	4 F	16-21-37	160	1.00	42,783	4,973	37,810	22,191	60,001	25,331	
State C Tr.13	5 E	36-21-37	160	1.00	41,737	2,874	38,863	22,191	61,054	25,331	
SURRAY MID-CONTINENT OIL CO.											
State Land 15	3 O	16-21-37	160 (1)*1.00	*1,487	*1,487			*3,000	*3,000	*3,000	
THE TEXAS CO.											
Blinney NCT-1 Fed.	1 O	19-22-38	160	1.00	41,570	16,956	24,614	22,191	46,805	25,331	
WESTERN OIL FIELDS, INC.											
Gulf Well	1 R	4-21-37	160	1.00	41,001	1,994	39,007	22,191	61,198	25,331	
PIPELINE TOTAL					1,870,021	310,079	- 0 -	1,559,942	877,903	2,437,845	1,005,911
WELLS CONNECTED TO SOUTHERN UNION GAS CO.											
AZTEC OIL & GAS CO.											
Duron	2 A	10-21-37	160	1.00	-8,680	15,309	23,989	22,191	-1,798	25,331	(S.I.) (2)
FAMARISS PET. CORP.											
Hill	1 J	4-21-37	120	.75	-4,824	13,363	18,187	16,643	-1,544	18,998	
					(6)						

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-5

GAS PRORATION ORDER  
FOR PERIOD JANUARY 1, 1956, THROUGH JUNE 30, 1956

The Commission held public hearing at Santa Fe, New Mexico on November 16, 1955 at 9 o'clock a. m. , pursuant to legal notice for the purpose of setting the allowable production of gas from the following seven (7) gas pools in Lea County, New Mexico for the six-month period, January 1, 1956, through June 30, 1956.

Arrow, Blinebry, Byers-Queen,  
Eumont, Jalmat, Justis, and Tubb.

NOW, on this day the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas produced from the above listed seven (7) gas pools for the period January 1, 1956, through June 30, 1956 is 85,120,192 MCF. The individual pool nominations, which total 85,120,192 MCF, are as follows:

Arrow	761,226 MCF
Blinebry	14,859,624
Byers-Queen	10,350
Eumont	27,615,299
Jalmat	31,078,230
Justis	382,296
Tubb	10,413,167

(2) The potential producing capacity of all gas wells in the seven (7) gas pools listed above is in excess of the nominations of purchasers of gas and in order to prevent waste and protect correlative rights, the production of gas from the above listed seven (7) gas pools should be limited, allocated and distributed during the six month proration period commencing January 1, 1956.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven (7) gas pools listed above can produce a total of 85,120,192 MCF without causing waste within the six-month proration period commencing January 1, 1956, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) For the six-month proration period commencing January 1, 1956, the total allowable production to be assigned the seven (7) allocated gas pools in Lea County be and the same hereby is as follows:

Arrow	761,226 MCF
Blinebry	14,859,624
Byers-Queen	10,350
Eumont	27,615,299

Jalmat	31,078,230
Justis	382,296
Tubb	10,413,167

(2) The allocation hereby set for said six-month proration period in the seven (7) allocated pools in Lea County, New Mexico shall be in accordance with Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) The total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A", attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers supplemental nominations and actual gas production, in accordance with Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 16th day of November, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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SCHEDULE "A"

	January	February	March	April	May	June	TOTAL
Arrow	133,254	124,151	131,136	128,433	132,651	111,601	761,226
Blinebry	2,653,560	2,341,455	2,475,148	2,494,700	2,673,161	2,221,600	14,859,624
Byers-Queen	1,875	1,600	1,775	1,750	1,675	1,675	10,350
Eumont	4,872,726	4,529,624	4,693,278	4,657,374	4,857,727	4,004,570	27,615,299
Jaimat	5,487,483	4,867,693	4,958,112	4,993,298	5,354,821	5,416,823	31,078,230
Justis	67,389	60,031	59,979	61,015	65,279	68,603	382,296
Tubb	1,725,808	1,597,535	1,686,414	1,724,199	1,982,055	1,697,156	10,413,167
							85,120,192
							TOTAL

All figures in MCF @ 60°F and 15.025 P.S.I.A.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

ORDER NO. AG-5-1

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH  
OF JANUARY 1956

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The Commission held public hearing at Santa Fe, New Mexico, on December 14, 1955, at 9 o'clock a. m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following seven gas pools in Lea County, New Mexico, for the month of January, 1956.

Arrow, Blinebry, Byers-Queen, Eumont, Jalmat, Justis and Tubb

NOW, on this day the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) The total nominations of purchasers of gas from the above-listed seven gas pools for the month of January, 1956, is 17,581,163 MCF. The individual pool nominations, which total 17,581,163 MCF, are as follows:

Arrow	139,729 MCF
Blinebry	2,968,126
Byers-Queen	1,875
Eumont	5,107,192
Jalmat	7,203,326
Justis	96,915
Tubb	2,064,000

(2) The potential producing capacity of all gas wells in the seven gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed seven gas pools should be limited, allocated and distributed during the month of January, 1956.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the seven gas pools listed above, can produce a total of 17,581,163 MCF without causing waste during the month of January, 1956, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of January, 1956, the allowable production to be assigned the seven allocated gas pools in Lea County, New Mexico, be and the same hereby is as follows:

Arrow	139,729 MCF
Blinebry	2,968,126
Byers-Queen	1,875
Eumont	5,107,192
Jalmat	7,203,326
Justis	96,915
Tubb	2,064,000

(2) That the allocation hereby set for the month of January, 1956, in the seven allocated pools in Lea County, New Mexico, shall be in accordance with the provisions of Orders R-520, R-586 and R-610, and the Commission's Rules and Regulations.

(3) A proration schedule, duly prepared by the Commission and thereafter adopted for the month of January, 1956, is hereto attached and made a part hereof, it distributes and allocates the allowable production among the gas wells in the seven gas pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-520, R-586 and R-610.

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

DONE at Santa Fe, New Mexico, this 16th day of December, 1955.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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BLINERY POOL CONT'D										
OPERATOR	WELL	NO.	NOV. NET	NOV. PROD.	OVER	UNDER	DEC. CURR.	DEC. NET	JAN. CURR.	DATE FIRST ALLOW.
LEASE	UNIT S.T.R.	ACRES	FACTOR	ALLOW.	WEIHS CONNECTED TO PERMANENT PIPE LINE CO. CONT'D	ALLOW.	ALLOW.	ALLOW.	ALLOW.	ALLOW.
GULF OIL CORP. CONT'D										
Eaves	6 A	10-22-37	160	1.00	61,576	32,918	28,653	25,331	53,939	34,257
Eubank	4 H	22-21-37	160	1.00	57,469	22,948	34,521	25,331	59,852	34,257
Gutman	2 C	19-22-33	160	1.00	60,690	49,223	11,467	25,331	36,793	34,257
Hugh	6 H	14-22-37	160	N.C.	N.C.				N.C.	
"	7 C	"	160	1.00	55,032	13,875	41,157	25,331	66,438	34,257
Eunice King	9 G	23-21-37	160	1.00	62,140	31,309	30,831	25,331	56,162	34,257
Leonard E. St.	4 A	16-21-37	160	1.00	62,417	28,072	34,345	25,331	59,676	34,257
Owen, Mark	6 O	34-21-37	160	1.00	61,035	23,844	37,241	25,331	62,572	34,257
MAGNOLIA PET. CO.										
Brunson Argo	6 E	10-22-37	160	1.00	61,171	31,786	29,385	25,331	54,716	34,257
Carson, E. C.	8 F	33-21-37	160	1.00	60,597	24,733	35,864	25,331	61,195	34,257
Corrigan H	7 P	33-21-37	160	(1)*1.00	*3,500			*7,000	*7,000	
Long, S. E.	8 J	11-22-37	160	1.00	54,862	24,172	30,690	25,331	56,021	34,257
Marshall Unit	3 D	34-21-37	160	1.00	58,632	23,394	30,238	25,331	55,569	34,257
Williamson	1 A	23-21-37	40	.25	9,805	4,039	5,766	6,333	12,099	8,564
OHIO OIL CO.										
Edith Butler A	1 L	18-22-33	160	(1)*1.00	*2,100	2,100	15,421	25,331	*8,000	*8,000
Lynch, Walter	4 D	1-22-37	160	1.00	61,577	46,156	32,427	25,331	40,752	34,257
Marshall B	4 L	27-21-37	160	1.00	61,662	29,235	24,418	25,331	57,758	34,257
Owen	2 M	35-21-37	160	1.00	61,555	37,137	28,092	25,331	49,749	34,257
Warlick C	2 O	15-21-37	160	1.00	62,705	34,613	35,410	25,331	53,423	34,257
Lou Wortham	9 E	11-22-37	160	1.00	62,000	26,590	33,333	25,331	60,741	34,257
"	12 H	"	160	1.00	60,462	27,124			58,669	34,257
PENROSE, NEVILLE G., INC.										
Hinton	3 N	12-22-37	160	1.00	32,541	26,385	6,155	25,331	31,486	34,257
ROMAN OIL CO.										
Elliott B-13 Fed.	1 E	13-22-37	160	1.00	94,116	17,176	76,940	25,331	102,271	34,257
Elliott 4 B-15	4 A	15-22-37	80	.50	30,798	24,724	6,074	12,666	18,740	17,128
Walden C	3 C	15-22-37	160	1.00	61,072	38,119	22,953	25,331	48,284	34,257
SINCLAIR OIL & GAS CO.										
Roy Carson	2 B	23-21-37	120	.75	38,652	15,325	23,327	18,993	42,325	25,693

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BLINEERY POOL CONT'D									
OPERATOR	WELL	NO.	NO.	NOV.	NOV.	DEC.	DEC.	JAN.	DATE
LEASE	UNIT S.T.R.	ACRES	FACTOR	NET	PRD.	CURR.	NET	CURR.	FIRST
STANOLIND OIL & GAS CO. CONT'D				ALLOW.	WELLS CONNECTED TO PERMIAN BASIN PIPE LINE CO. CONT'D	ALLOW.	ALLOW.	ALLOW.	ALLOW.
State 367	3 K 36-21-37	160	1.00	17,816	4,250	13,566	25,331	38,897	34,257
SKELLY OIL CO.									
Baker B	15 J 10-22-37	240	1.50	92,078	29,159	62,920	37,997	100,917	51,385
STANOLIND OIL & GAS CO.									
Owen Eva A	2 F 3-22-37	80	.50	56,796	9,200	47,596	12,666	60,262	17,128
Owen, Eva B	4 N 34-21-37	160	1.00	61,388	36,328	25,060	25,331	50,391	34,257
Sou. Royalty A	5 Q 4-21-37	160	1.00	60,454	25,734	34,720	25,331	60,051	34,257
"	6 H 9-21-37	160	1.00	42,405	50,371	38,798	25,331	16,865	34,257
State C Tr. 12	4 F 16-21-37	160	1.30	60,001	21,203	25,528	25,331	64,129	34,257
State C Tr. 13	5 E 36-21-37	160	1.00	61,054	35,526	25,528	25,331	50,859	34,257
SUTRAY MID-CONTINENT OIL CO.									
State Land 15	3 O 16-21-37	160 (1)	*1.00	*1,460	1,460	*3,000	*3,000	*3,000	
THE TEXAS CO.									
Blinberry NCT-1 Fed.	1 O 19-22-38	160	1.00	46,305	50,775	25,331	21,361	34,257	
WESTERN OIL FIELDS, INC.									
Gulf Hill	1 R 4-21-37	160	1.00	61,198	33,409	27,789	25,331	53,120	34,257
PIPE LINE TOTALS									
				2,431,343	1,112,811	12,436	1,330,968	1,031,242	2,349,774
						(1,318,532)			1,388,278
AZTEC OIL & GAS CO.									
Dauron	2 A 10-21-37	160	1.00	-1,798	16,892	18,687	25,331	6,644	34,257
WELLS CONNECTED TO SOUTHERN UNION GAS CO.									
FAMARISS PET. CORP.									
Hill	1 J 4-21-37	120	.75	-1,544	18,305	19,849	18,998	-851	25,693
PIPE LINE TOTAL									
				-3,342	35,194	38,536	-0-	44,329	59,950
POOL TOTAL									
				91.25 2,572,621	2,214,361	1,429,139	1,787,399	2,202,815	2,561,075
				*4.00			(358,260)		3,015,919

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(2)



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CONSOLIDATION OF  
CASES 245 AND 521  
ORDER No. R-264-A

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER  
DESIGNATING, NAMING, DEFINING  
AND EXTENDING THE GAS POOLS OF  
LEA, EDDY AND CHAVES COUNTIES,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 16, 1953, May 19, 1953, June 16, 1953, July 16, 1953, and August 20, 1953, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of November, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received in the hearings, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this case.

(2) That by virtue of Order No. R-264 entered February 17, 1953, in Case No. 245, the Commission defined and classified certain gas pools in Lea, Eddy and Chaves Counties, New Mexico, and ordered further testimony taken at the April 16, 1953, Commission hearing in the premises,

(3) That at the April 16, 1953, Commission hearing it was ordered that Cases 245 and 521 be, and they were at that time consolidated for purposes of the record.

(4) That successive hearings were had May 19, June 16, July 16, and August 20, 1953, on the case as consolidated, resulting in Order R-356, being the special "stand-by" rules and regulations in the matter of proration of gas-well gas producible from the gas pools of Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, and as classified and defined in Order R-264.

(5) That by reason of interim development, the areal boundary of the Jalco Gas Pool as fixed by Order R-264 should be extended in accordance with testimony

Consolidation of  
Cases 245 and 521  
Order No. R-264-A

adduced at the hearings.

(6) That the vertical productive limits of the Eumont Gas Pool as fixed by Order R-264 should be changed to include therein all the Queen formation.

(7) That the vertical productive limits of the Blinebry Gas Pool as fixed by Order R-264 should be more specifically defined.

(8) That the areal and vertical productive limits of the Justis Gas Pool heretofore defined and classified as a gas pool by Order No. 850 should be redefined areally and vertically.

IT IS THEREFORE ORDERED:

(1) That Order R-264, as hereinafter amended, and Order R-356 be and they hereby are declared to be supplementary orders.

(2) That the areal boundary of the Jalco Gas Pool, as described in Order R-264, be, and the same hereby is extended to include therein, as a part of said pool, the following described area:

Township 26 South, Range 37 East, NMPM  
All of Sections 15, 16, 17, 20, 21, 22, 27  
and 28;  
E/2 Section 29;  
E/2 Section 32;  
all of Sections 33 and 34

(3) That Section III (2) of Order R-264 be, and the same hereby is amended to read as follows:

"III (2) That the producing formation of the Eumont Gas Pool shall extend from the top of the Yates formation to the top of the Grayburg formation, thereby including all of the Yates, Seven Rivers and Queen formations."

(4) That Section VI (2) of Order R-264 be, and the same hereby is amended to read as follows:

"VI (2) That the producing formation of the Blinebry Gas Pool shall be that part of the Yeso formation included from the base of the Upper Yeso sandy section, which occurs at an average depth of 450 feet below the Glorieta formation, to the top of the Tubb sand."

(5) That that part of Appendix 'A' of Order No. 850 relating to the Justis Gas Pool pursuant to Rule 5 of said order be, and the same hereby is amended to read as follows:

-3-  
Consolidation of  
Cases 245 and 521  
Order No. R-264-A

"Appendix A - The producing formation of the  
Justis Gas Pool shall be the 200 feet immediately  
below the top of the Glorieta formation; that the  
said pool, classified as a gas pool, is described  
as follows:

Township 25 South, Range 37 East, NMPM  
SW/4 Section 1; SE/4 Section 2;  
E/2 Section 11; W/2 Section 12;  
W/2 Section 13; E/2 Section 14;  
E/2 Section 23; W/2 Section 24

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 586  
Order No. R-372-A

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION FOR ALL  
OPERATORS AND INTERESTED PARTIES IN THE  
BLINEBRY GAS POOL TO SHOW CAUSE WHY THE  
RULES AND REGULATIONS AS SET OUT IN ORDER  
R-356, WITH ANY ESSENTIAL AMENDMENTS,  
SHOULD NOT BE PUT INTO EFFECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a. m., on October 28, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 10th day of November, 1953, the Commission, a quorum being present, having considered the testimony adduced, the exhibits received, the statements of interested parties, the official records of this Commission and other pertinent data, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given, the Commission has jurisdiction of this cause.

(2) That the Commission, for the purpose of preventing waste and drainage, and for the protection of correlative rights, entered Order R-356, establishing certain general or "stand-by" rules and regulations relating to the proration of gas well gas, proration units, well spacing, and other related matters in the gas pools of Eddy, Lea, Chaves and Roosevelt Counties, New Mexico, applicable in all cases only after special rules for each gas pool shall have been promulgated.

(3) That thereafter, after due notice and hearing, Order R-372 was duly entered by the Commission. Order R-372 adopted the general or "stand-by" rules promulgated by Order R-356 as the Special Rules and Regulations of the Blinebry Gas Pool, heretofore established. R-372 was entered pending a further order in the premises, said order to be entered only after all interested parties were afforded the opportunity to be heard in the matter.

(4) That as a result of such hearing and in consideration of the testimony adduced Special Pool rules should be promulgated for the Blinebry Gas Pool, heretofore established, described and classified as a gas pool. That the Special pool rules should approximate the general rules and regulations promulgated by Order R-356 insofar as the same are applicable to the Blinebry Gas Pool, and should conform, generally with the provisional special rules of Order R-372.

(5) That in order for the Commission to evaluate and delineate the actual productive limits of the Blinebry Gas Pool all operators of gas wells within the defined limits of the Blinebry Gas Pool should supply certain Geological and Reservoir data to the Commission.

(6) That pending further study and orders, the allocation of gas in the Blinebry Gas Pool should be calculated on the basis of 100 per cent acreage, based upon the standard 160 acre proration unit, which unit is limited to a regular quarter section subdivision of the U. S. Public Land Surveys and consisting of not less than 158 nor more than 162 acres, substantially in the form of a square, with provision for deviation therefrom particularly in cases of wells heretofore completed where the impracticability of unitization is apparent.

(7) That an adequate gas well testing procedure should be adopted as soon as possible so that operators, purchasers and the Commission can determine the fairness and feasibility of an allocation factor for the pool which employs the factors of deliverability, pressure, or any other factor relating to gas well productivity.

IT IS THEREFORE ORDERED:

That Special Pool Rules applicable to the Blinebry Gas Pool, be and the same hereby are promulgated and are as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE BLINEBRY GAS POOL  
LEA COUNTY, NEW MEXICO

WELL SPACING AND ACREAGE REQUIREMENTS FOR DRILLING TRACTS.

RULE 1. Any well drilled a distance of one mile or more from the outer boundary of the Blinebry Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile from the outer boundary of the Blinebry Gas Pool shall be spaced, drilled, operated and prorated in accordance with the Regulations in effect in the Blinebry Gas Pool.

RULE 2. Each well drilled or recompleted within the Blinebry Gas Pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

RULE 3. Each well drilled within the Blinebry Gas Pool shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to a quarter-quarter section or subdivision inner boundary nor closer than 1320 feet

to a well drilling to or capable of producing from the same pool.

RULE 4. The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 3 without Notice and Hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 1320 foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all operators within such radius have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection of any offset operator. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

RULE 5. The provision of Statewide Rule 104 Paragraph (k), shall not apply to the Blinebry Gas Pool located in Lea County, New Mexico.

#### GAS PRORATION

RULE 6. The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Blinebry Gas Pool and other relevant data and shall fix the allowable production of the Blinebry Gas Pool, and shall allocate production among the gas wells in the Blinebry Gas Pool upon a reasonable basis with due regard to correlative rights.

#### PRORATION UNITS

RULE 7. (a) For the purpose of gas allocation in the Blinebry Gas Pool, a standard proration unit shall consist of between 158 and 162 contiguous surface acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys; provided, however, that a gas proration unit other than a legal quarter section may be formed after notice and hearing by the Commission, or as outlined in Paragraph (b). Any allocation unit containing less than 158 acres or more than 162 acres shall be a non-standard unit and its allowable shall be decreased or increased to that proportion of the standard unit allowable that the number of acres contained therein bears to 160 acres. Any standard proration unit consisting of between 158 and 162 contiguous surface acres shall be considered as containing 160 acres for the purpose of gas allocation.

(b) The Secretary of the Commission shall have authority to grant an exception to Rule 7 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with;

1. The non-standard unit consists of less acreage than a standard proration unit.

2. The acreage assigned to the non-standard unit lies wholly within a legal quarter section and contains a well capable of producing gas into a gas transportation facility on the date of this order.

3. The operator receives written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

#### GAS ALLOCATION

RULE 8. At least 30 days prior to the beginning of each gas proration period the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Blinebry Gas Pool. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 9. Each month, the Commission shall cause to be submitted by each gas purchaser its "Supplemental Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration month from the Blinebry Gas Pool. The Commission shall hold a public hearing between the 15th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month. Included in the monthly proration schedule shall be a tabulation of allowable and production for the second preceding month together with an adjusted allowable computation for the second preceding month. Said adjusted allowable shall be computed by comparing the actual allowable assigned with the actual production. In the event the allowable assigned is greater than the actual production, the allowables assigned the top allowable units shall be reduced proportionately, and in the event the allowable assigned is less than the production then the allowables assigned the top allowable units shall be increased proportionately. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Blinebry Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Blinebry Gas Pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well. The total allowable to be allocated to the pool each month shall be equal to the sum of the supplemental nominations together with any adjustment which the Commission deems advisable. The allocation to a pool remaining after subtracting the capacities of marginal units shall be divided and allocated ratably among the non-marginal units in the proportion that the acreage contained in each unit bears to the total acreage allotted to such non-marginal units.

#### BALANCING OF PRODUCTION

RULE 10. Underproduction: The dates 7:00 A.M., January 1 and 7:00 A.M. July 1, shall be known as balancing dates and the periods of time bounded by these dates shall be known as gas proration periods. The amount of current gas allowable remaining unproduced at the end of each proration period shall be carried forward to and may be produced during the next succeeding proration period in addition to the normal gas allowable for such succeeding period; but whatever amount thereof is not made up within the first succeeding proration period shall be cancelled. If, at the end of the first succeeding proration period, a greater amount of allowable remains unproduced than was carried forward as underproduction, the amount carried forward to the second succeeding period shall be the total underproduction less the amount carried forward to the first succeeding period.

If it appears that such continued underproduction has resulted from inability of the well to produce its allowable, it may be classified as a marginal well and its allowable reduced to the well's ability to produce.

RULE 11. Overproduction: A well which has produced a greater amount of gas than was allowed during a given proration period shall have its allowable for the first succeeding proration period reduced by the amount of such overproduction and such overproduction shall be made up within the first succeeding proration period. If, at the end of the first succeeding proration period, the well is still overproduced, it shall be shut in and its current monthly allowable charged against said overproduction until the well is in balance. If, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut in until it is in balance.

The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut in upon a showing at public hearing after due notice that complete shut in of the well would result in material damage to the well.

#### GRANTING OF ALLOWABLES

RULE 12. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease.

RULE 13. Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and Form C-110 and the plat described above, whichever date is the later.

#### REPORTING OF PRODUCTION

RULE 14. The monthly gas production from each gas well shall be metered separately and the gas production therefrom shall be submitted to the Commission



on Form C-115 so as to reach the Commission on or before the twentieth day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced. The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however that gas used on the lease for consumption in lease houses, treaters, combustion engines and other similar lease equipment shall not be charged against the well's allowable.

#### DEFINITIONS

RULE 15. A gas well shall mean a well producing gas or natural gas from a common source of gas supply from a gas pool determined by the Commission.

RULE 16. The term "gas purchaser" as used in these rules, shall mean any "taker" of gas either at the wellhead or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination.

PROVIDED FURTHER that those wells located within the defined limits of the Blinebry Gas Pool which produce oil and receive an oil allowable on the oil proration schedule shall be prorated as oil wells pending further study and that "preliminary" and "supplemental" nominations, as outlined in Rules 8 and 9 above, shall pertain only to gas wells which are not assigned an oil allowable.

PROVIDED FURTHER that all operators of oil or gas wells shall submit to the Hobbs office of this Commission (Box 2045) on or before January 1, 1954 a copy of either an electric log or sample log of each well (if available), whether oil or gas, that they operate within the defined limits of the Blinebry Gas Pool. Attached to each log shall be a detailed report showing well elevation, total depth, plug back depth, depth of production string, interval of perforations and open hole and estimation of formation tops as indicated by the log. Any operator of any well hereafter completed or recompleted within the defined limits of the Blinebry Gas Pool shall also submit to the Hobbs office of the Commission, the logs and information detailed above, within 30 days following such completion or recompletion.

In the event that the Commission deems it advisable to obtain additional information from wells producing outside the defined limits of the Blinebry Gas Pool the Secretary of the Commission is hereby authorized to issue a directive to operators in order to obtain the desired information.

PROVIDED FURTHER that as soon as possible a testing procedure for all gas wells shall be adopted by the Commission. Said procedure shall contain adequate tests in order to determine the feasibility of employing any well potential, deliverability or pressure factors in allocating gas.

PROVIDED FURTHER that those operators who desire approval of the Commission of gas-oil dual completions under the provisions of Statewide Rule 112-A should also comply with the provisions of Rules 2, 3 and 4 of this order before approval will be granted.

7-

Case No. 586

Order No. R-372-A

PROVIDED FURTHER that in order to inaugurate gas prorationing and allocation in the Blinebry Gas Pool on January 1, 1954 the Commission shall consider the nominations of purchasers for the proration period beginning January 1, 1954 at the regular hearing of the Commission on November 19, 1953 and shall require each purchaser of gas from the Blinebry Gas Pool to submit with each "supplemental" nomination a list of the wells and their location from which gas is to be purchased commencing January 1, 1954. In this instance the list of wells shall pertain solely to those wells which are gas wells and are not on the proration schedule.

PROVIDED FURTHER that in the event an operator has a producing well on acreage which does not conform to the provisions of Rule 2 or Rule 7 and an exception to Rule 7 is to be requested of this Commission, the necessary information requested under Rule 12 should be complied with pending Commission action. In this instance the Proration Manager is directed to assign to the well only that acreage attributable to the well lying within the quarter section upon which the well is located. In the event the unorthodox unit is approved after notice and hearing and an increase in total acreage is permitted then the total allowable assigned the well shall be adjusted and made retroactive to the 1st day of the proration period or the 1st day the well produced into a gas transportation facility if the well was not productive prior to January 1, 1954.

PROVIDED FURTHER that copies of Form C-115, Monthly Production Report, submitted in compliance with Rule 14 shall be distributed by the operator as follows: Original to Oil Conservation Commission, Box 871, Santa Fe; two copies to Oil Conservation Commission, Box 2045, Hobbs, New Mexico.

IT IS FURTHER ORDERED that nothing in this order, or Order No. R-372, heretofore issued by the Commission, shall be construed as re-classifying any well, now prorated on the oil proration schedule, as a gas well, and any such reclassification hereafter made shall only be made after due notice and hearing.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 684  
Order No. R-464

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO UPON ITS OWN  
MOTION FOR AN ORDER: (1) OUTLINING THE  
PROCEDURE TO BE FOLLOWED IN THE STAGE  
SEPARATION OF GAS AND DISTILLATE IN THE  
TUBB AND BLINEBRY GAS POOLS; (2) OUTLINING  
THE METERING REQUIREMENTS OF GAS PRODUCED  
FROM THE TUBB AND BLINEBRY GAS POOLS; AND  
(3) CLARIFYING AND REVISING THE VERTICAL  
LIMITS OF THE TUBB AND BLINEBRY GAS POOLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on March 17, 1954, and on April 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

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

(2) That the vertical limits of the Tubb and Blinebry Gas Pools should be defined as hereinafter stated.

(3) That the rules hereinafter set forth requiring the stage separation of gas and distillate produced by wells producing from the Tubb and Blinebry Gas Pools should be promulgated.

(4) That said rules will tend to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Blinebry Gas Pool shall extend from a point 75 feet above the "Blinebry Marker" to a point 300 feet below the "Blinebry Marker."

(2) That the vertical limits of the Tubb Gas Pool shall extend from a point 100 feet above the "Tubb Marker" to a point 225 feet below the "Tubb Marker."

(3) That the "Blinebry Marker" shall be that point encountered in the Humble Oil and Refining Company State 'S' Well No. 20, SW/4 NW/4 Section 2, Township 22 South, Range 37 East, NMPM., at a depth of 5457 feet (Elev. 3380, Subsea Datum Minus 2077).

(4) That the "Tubb Marker" shall be that point encountered in the Humble Oil and Refining Company State 'S' Well No. 20 at a depth of 5921 feet (Elev. 3380, Subsea Datum Minus 2541).

(5) That the following rules shall apply to all producing wells in the Tubb or Blinebry Gas Pools:

RULE 1: Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

RULE 2: The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Tubb or Blinebry Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

RULE 3: Each year during the months of June and July each operator of each gas well producing from the Tubb or Blinebry Gas Pools shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, N.M.) on or before August 15 following the test. The test shall outline the amount

of high-pressure gas produced during the 24-hour test period, the amount of distillate produced during the test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio. Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

- RULE 4: In submitting Form C-115 (Operator's Monthly Report) on wells producing from the Tubb and Blinbry zone in which distillate is commingled and/or the low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volumes produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.
- RULE 5: The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Rule 1 through Rule 4, incl., where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.
- RULE 6: That low-pressure gas produced by gas wells in the Tubb or Blinbry Gas Pools shall not be charged to the gas allowable allocated to any well.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 727  
Order No. R-610

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION ON  
ITS OWN MOTION FOR AN ORDER  
AMENDING, REVISING OR ABROGATING  
EXISTING RULES AND REGULATIONS OF  
THE OIL CONSERVATION COMMISSION,  
AND/OR PROMULGATING RULES AND  
REGULATIONS RELATING TO GAS POOL  
DELINEATION, GAS PRORATION AND  
OTHER RELATED MATTERS AFFECTING  
OR CONCERNING THE BLINEBRY GAS  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 16, 1954, and was successively continued to October 20, 1954, at which time it came on for final hearing at Hobbs, New Mexico, before the Oil Conservation Commission, herein-after referred to as the "Commission".

NOW, on this 11th. day of April, 1955, the Commission, a quorum being present, having considered the record and the testimony entered at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That under date of February 17, 1953, the Commission did issue its Order No. R-264 creating the Blinebry Gas Pool. That Order R-264, as amended by Order R-264-A, as further amended by Order R-464, did define the vertical and horizontal limits of the Blinebry Gas Pool and that by subsequent orders, the Commission extended the horizontal limits of the Blinebry Gas Pool.

(3) That under date of September 28, 1953, the Commission issued Order R-372 and under date of November 10, 1953, the Commission issued Order 372-A, which orders provided rules, definitions and procedures to be followed in prorating gas in the Blinebry Gas Pool; and by subsequent orders issued after due notice and hearing, the Commission did allocate the production of gas in said pool commencing January 1, 1954.

(4) That the producing capacity of gas wells in the Blinebry Gas Pool is in excess of the market demand for gas produced from said pool.

(5) That, in order to prevent waste, it is necessary to allocate and prorate the production of gas among the gas wells in the Blinebry Gas Pool in accordance with the provisions of this order.

(6) That the protection and proper recognition of correlative rights as such rights are defined by Section 26 (h), Chapter 168, New Mexico Session Laws of 1949, require that the production of gas be prorated in accordance with the terms and provisions of this order.

(7) That the Rules and Regulations hereinafter set forth in this order are in all respects in the interests of conservation and provide for the allocation of allowable production among the gas wells in the Blinebry Gas Pool on a reasonable basis and give appropriate recognition to correlative rights.

(8) That the production of oil from the Blinebry Oil Pool is a salvage operation and should be administered as such.

(9) That the horizontal limits of the Blinebry Gas Pool, the Blinebry Oil Pool and the Terry-Blinebry Oil Pool should be redefined as set forth in Exhibits "A", "B" and "C", attached hereto and made a part hereof.

(10) That the vertical limits of the Blinebry Gas Pool should be defined as set out in Commission Order R-464 and as hereinafter repeated.

(11) That one gas well in the Blinebry Gas Pool will effectively and efficiently drain an area of 160 acres. Due to the complex nature of the Blinebry Gas and associated reservoirs, gas proration units in excess of 160 acres should not be permitted pending further reservoir information.

(12) That, in order to prevent waste, a "no-flare" rule should be adopted to prohibit the flaring, venting or otherwise wasting of casinghead gas or any other type of gas produced in the Blinebry Gas Pool, the Blinebry Oil Pool or the Terry-Blinebry Oil Pool.

(13) That semi-annual bottom-hole pressure surveys should be conducted in portions of the Blinebry Gas Pool and in the entire Terry-Blinebry Oil Pool to ascertain the pressure differential which exists between that portion of the common source of supply known to contain dry gas and the rim of the reservoir which is known

to contain a commercial accumulation of oil.

(14) That, in order to classify wells in the Blinebry Gas Pool and the Blinebry Oil Pool, semi-annual gas-liquid ratio tests and semi-annual determinations of the gravity of that liquid hydrocarbon produced from wells in said pools should be conducted in the Blinebry Oil Pool and the Blinebry Gas Pool.

(15) That, in the interests of conservation, the special rules hereinafter set forth governing the production of gas from the Blinebry Gas Pool and the production of oil from the Blinebry Oil Pool and the Terry-Blinebry Oil Pool should be adopted.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the Blinebry Gas Pool, the Blinebry Oil Pool and the Terry-Blinebry Oil Pool shall be the areas described in Exhibits "A", "B" and "C", attached hereto and made a part hereof.

(2) That the vertical limits of the Blinebry Gas Pool and the Blinebry Oil Pool shall extend from a point 75 feet above the "Blinebry Marker" to a point 300 feet below the "Blinebry Marker".

(3) That special pool rules applicable to the Blinebry Gas Pool should be, and the same hereby are promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE  
BLINEBRY GAS POOL

Well Spacing and Acreage Requirements for Drilling Tracts:

RULE 1: Any well drilled a distance of one mile or more outside the boundary of the Blinebry Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile outside the boundary of the Blinebry Gas Pool shall be spaced, drilled, operated and prorated in accordance with the regulations in effect in the Blinebry Gas Pool.

RULE 2: Each well drilled or recompleted within the Blinebry Gas Pool on a standard proration unit after the effective date of this rule shall be drilled not closer than 660 feet to any boundary line of the tract nor closer than 330 feet to a quarter-quarter section line or subdivision inner boundary line. Any well drilled to and producing from the Blinebry Gas Pool prior to the effective date of this order at a location conforming to the spacing requirements effective at the time said well was drilled shall be considered to be located in conformance with this rule.

RULE 3: The Director of the Commission shall have authority to grant exception to the requirements of Rule 2 without notice and hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.



Applicants shall furnish all operators within a 1320-foot radius of the subject well a copy of the application to the Commission. Applicant shall include with his application a list of names and addresses of all operators within such radius, together with a stipulation that proper notice has been given said operators at the addresses given. The Director of the Commission shall wait at least 20 days before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection of any offset operator. In the event an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 4: The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the Blinebry Gas Pool located in Lea County, New Mexico.

Gas Proration:

RULE 5: (A) That acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the Blinebry Gas Pool, a standard proration unit shall consist of between 158 and 162 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Survey; provided, however, that a non-standard gas proration unit may be formed after notice and hearing by the Commission, or under the provisions of Paragraph (B) of this Rule.

(B) The Director of the Commission shall have authority to establish a non-standard gas proration unit by administrative action (without notice and hearing) where application has been filed in due form and where the following facts exist and the following provisions are complied with, without exception.

1. The non-standard proration unit will consist of contiguous quarter-quarter sections and/or lots, with a common side between any two adjacent quarter-quarter sections and/or lots.

2. The non-standard proration unit will lie wholly within a single governmental quarter section.

3. The entire non-standard proration unit may be reasonably assumed to be productive of gas from the Blinebry Gas Pool.

4. The length or width of the non-standard gas proration unit will not exceed 2640 feet.

5. The applicant presents written consent in the form of waivers from:

(a) All operators owning interests in the quarter section in which the non-standard gas proration unit is to be situated, which interest is not included in the proposed non-standard gas proration unit.

(b) All operators owning interests within 1500 feet of the well to which such non-standard gas proration unit is to be dedicated.

6. In lieu of the provisions of subparagraph 5 under Paragraph (B) of this rule, applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. The Director of the Commission may approve such application for administrative approval of a non-standard gas proration unit if, after a period of 30 days following the mailing of said notice, no operator has entered an objection to the formation of such non-standard gas proration unit.

(C) The allowable production from any non-standard gas proration unit as compared with the allowable production therefrom if such tract were a standard unit shall be in the ratio the area of such non-standard proration unit bears to a standard proration unit of 160 acres. Any gas proration unit containing between 158 and 162 acres shall be considered to contain 160 acres for the purpose of computing allowables.

RULE 6: Acreage dedicated to a gas well in the Blinebry Gas Pool shall not be simultaneously dedicated to an oil well in the Blinebry Oil Pool.

RULE 7: In the event an oil well in the Blinebry Oil Pool is reclassified as a gas well in the Blinebry Gas Pool, the operator of such well will be afforded the opportunity to form a non-standard proration unit for the well; provided, however, that until such unit is formed, such well shall be allocated a gas allowable commensurate with the acreage contained in the unit formerly dedicated to the oil well in the Blinebry Oil Pool.

RULE 8: In the event such reclassification should cause the occurrence of two gas wells producing from the Blinebry Gas Pool within a single proration unit, the sum total of the allowables allocated to the two wells shall be equivalent to that volume of gas allocated to a single proration unit; provided, however, that the operator of such wells shall have the option to determine the proportion of the assigned allowable to be produced by each individual well.

RULE 9: The dual completion of a well so as to produce gas from the Blinebry Gas Pool and oil from the Blinebry Oil Pool is hereby prohibited.

RULE 10: (a) The Commission after notice and hearing shall consider the nominations of gas purchasers from the Blinebry Gas Pool and other relevant data and shall fix the allowable production of gas from the Blinebry Gas Pool.

(b) The allowable assigned any well capable of producing its normal gas allowable shall be the same proportion of the total remaining allowable allocated to said pool, after deducting allowables of marginal wells, that the number of acres contained in the gas proration unit for that well bears to the acreage contained in all gas proration units assigned to non-marginal wells in the Blinebry Gas Pool.

**RULE 11:** At least 30 days prior to the beginning of each gas proration period, the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Blinebry Gas Pool. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

**RULE 12:** In the event a gas purchaser's market shall have increased or decreased, purchaser may file with the Commission prior to the 10th day of the month a "Supplemental" nomination showing the amount of gas the purchaser in good faith actually desires to purchase during the ensuing proration month from the Blinebry Gas Pool. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month.

Included in the monthly proration schedule shall be:

- (a) A summary of the total pool allocation for that month showing nominations and adjustments made for underage or overage applied from a previous month.
- (b) A tabulation of the net allowable and production for the second preceding month, together with a cumulative overage or underage computation.
- (c) A tabulation of the current and net allowables for the preceding month.
- (d) A tabulation of current monthly allowables for the ensuing proration month.
- (e) A tabulation of the acreage assigned each well together with a tabulation of the acreage factor assigned each well. For the purposes of allocation, a proration unit of 160 acres shall be assigned an acreage factor of 1.00; a proration unit of 80 acres a factor of 0.50, etc.

The Commission shall include in the proration schedule the gas wells in the Blinebry Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Blinebry Gas Pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility which is reasonably capable of handling the type of gas produced by such well. The total allowable to be allocated to the pool each month shall be equal to the sum of the preliminary or supplemental nominations (whichever is applicable), together with any adjustment which the Commission deems advisable.

If, during a proration month, the acreage assigned a well is increased, the operator shall notify the Proration Manager in writing (Box 2045, Hobbs, New Mexico) of such increase. The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Proration Manager.

Balancing of Production:

**RULE 13: Underproduction:** The dates 7:00 a. m. , January 1, and 7:00 a. m. , July 1, shall be known as balancing dates and the periods of time bound by these dates shall be known as gas proration periods. The amount of current gas allowable remaining unproduced at the end of each proration period shall be carried forward to and may be produced during the next succeeding proration period in addition to the normal gas allowable for such succeeding period; but whatever amount thereof is not made up within the first succeeding proration period shall be cancelled.

If it appears that such continued underproduction has resulted from inability of the well to produce its allowable, it may be classified as a marginal well and its allowable reduced to the well's ability to produce.

If at the end of a proration period a marginal well has produced more than the total allowable assigned a non-marginal unit of corresponding size, the marginal well shall be reclassified as a non-marginal well and its allowable adjusted accordingly.

If during a proration period a marginal well is reworked or recompleted in such a manner that its productive capacity is increased to the extent that it should be reclassified as a non-marginal well, the reclassification shall be effective on the first day of the proration month following the date of recompletion.

The Proration Manager may reclassify a well at any time if production data or deliverability tests reflect the need for such a reclassification.

**RULE 14: Overproduction:** A well which has produced a greater amount of gas than was allowed during a given proration period shall have its allowable for the first succeeding proration period reduced by the amount of such overproduction, and such overproduction shall be made up within the first succeeding proration period. If, at the end of the first succeeding proration period, the well is still overproduced, and has not been in balance since the end of the preceding proration period, then it shall be shut-in and its current monthly allowable charged against said overproduction until the well is in balance. If, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut-in until it is in balance.

The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well.

Granting of Allowables

RULE 15: No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed, together with a plat showing acreage attributed to said well and the locations of all wells on the lease.

RULE 16: Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and Form C-110 and the plat described above, whichever date is the later.

Reporting of Production

RULE 17: The monthly gas production from each well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced.

Each purchaser or taker of gas in the Blinebry Gas Pool shall submit a report to the Commission so as to reach the Commission on or before the 20th day of the month next succeeding the month in which the gas was purchased or taken.

Such report shall be filed on either Form C-111 or Form C-114 (whichever is applicable) with the wells being listed in approximately the same order as they are listed on the proration schedule.

Forms C-111 and C-114 referred to herein shall be submitted in duplicate, the original being sent to the Commission at Box 871, Santa Fe, New Mexico, the other copy being sent to Box 2045, Hobbs, New Mexico.

Forms C-115 shall be submitted in accordance with Rule 1114 of the Commission's Rules and Regulations.

The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however, that gas used on the lease for consumption in lease houses, treaters, compressors, combustion engines and other similar lease equipment shall not be charged against the well's allowable. The production of intermediate or low-pressure gas derived from the staging of the well fluids need not be charged against the well's gas allowable, provided that said intermediate or low-pressure gas is utilized in accordance with the provisions of Order R-464.

RULE 18: A gas well in the Blinebry Gas Pool shall mean a well producing from within the vertical and horizontal limits of the Blinebry Gas Pool which:

(a) Produces liquid hydrocarbons possessing a gravity greater than 51° API, or,

(b) Produces liquid hydrocarbons possessing a gravity of less than 51° API, but with a producing gas-liquid ratio in excess of 32,000 cubic feet of gas per barrel of liquid hydrocarbon.

**RULE 19:** A well producing from within the horizontal and vertical limits of the Blinebry Gas Pool and not classified as a gas well as defined in Rule 18, shall be classified as an oil well in the Blinebry Oil Pool.

**RULE 20:** Any well drilled and completed in good faith prior to the effective date of this order, which well is situated within the horizontal boundaries of the Blinebry Gas Pool as herein defined but which produces gas from a depth interval exceeding the vertical limits of the Blinebry Gas Pool as herein defined, is hereby validated and shall be classified as a gas well in the Blinebry Gas Pool, provided that said well conforms to the definition of a gas well in said pool as set out in Rule 18 of this section of this order, and provided that the well is classified as a gas well in the Blinebry Gas Pool under the rules, regulations and orders in effect on the day immediately preceding the effective date of this order.

**RULE 21:** The term "gas purchaser", as used in these rules, shall mean any "taker" of gas either at the wellhead or at any point on the lease where a connection is made to facilitate the transportation or utilization of gas. It shall be the responsibility of the "taker" to submit a nomination as provided in Rules 11 and 12.

**RULE 22:** The Proration Manager may reclassify a well under Rules 18 or 19 if production data, gas-oil ratio tests or other evidence reflects the need for such reclassification.

For proration purposes, the effective date of such reclassification shall be the first day of the next succeeding six months gas proration period.

The Proration Manager will notify the operator of the reclassified well of such reclassification and the effective date thereof; provided, however, that operator may appeal such reclassification to the Director of the Commission in writing.

**RULE 23:** No gas, either dry gas or casinghead gas, shall be flared, vented or otherwise wasted in the Blinebry Gas Pool at any time after ninety (90) days dating from May 1, 1955, or ninety (90) days from the date of completion of a well in said pool, whichever is the later.

Any operator desiring to obtain an exception to the foregoing provision of this rule shall submit to the Director of the Commission an application for such exception accompanied by a sworn statement setting forth the facts and circumstances which justify such exception. The Director is hereby authorized to grant such exception when the granting of such is necessary to protect correlative rights, prevent waste, or to prevent undue hardship on the applicant. The Director shall (a) grant the exception within 15 days following receipt of the application and statement, or (b) set the application for hearing before the Commission at a regularly scheduled

monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Public notice of the hearing of the application shall be published in the manner provided by law.

Should the Director grant an exception to the provision of Rule 23, notification of such exception shall be distributed to the Commission's regular mailing list.

RULE 24: Bottom-hole pressure tests will be conducted semi-annually during the months of May and October on all gas wells located to the north of an east-west line coinciding with the north lines of Sections 21, 22, 23 and 24, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico; such wells to be producing from within the vertical and horizontal boundaries of the Blinebry Gas Pool and classified as gas wells under the rules contained in this order. Results of such tests will be reported to the Commission on Form C-124 on or before the 25th day of June and the 25th day of November of each calendar year.

All bottom-hole pressure tests, except tests on dually completed wells producing from the Blinebry Gas Pool, will be conducted in accordance with Rule 302 of the Rules of the Commission. Shut-in period will be 48 hours, datum elevation will be 2400 feet subsea, (-2400), and base temperature will be 100 degrees Fahrenheit.

Bottom-hole pressures on dually completed wells producing gas from the Blinebry Gas Pool may be calculated from a 72-hour shut-in pressure at the well-head, provided that an accurate determination of the fluid level in the hole is made employing sonic or other methods of equivalent accuracy. The gravity of the fluid in the hole shall be that gravity determined by averaging the gravities of those fluids produced on official test in the Blinebry Gas Pool during the regular semi-annual gas-liquid ratio and gravity testing period next preceding the subject bottom-hole pressure test period. The gravity to be employed in the calculation of bottom-hole pressures during a particular testing period shall be determined by the Commission. All interested operators shall be duly notified of such determination by the Commission.

RULE 25: Gas-liquid ratio tests and determinations of the gravity of that liquid hydrocarbon recovered from wells in the Blinebry Gas Pool shall be conducted semi-annually during the months of May and October on all wells located in and producing from the Blinebry Gas Pool. Results of such tests will be reported to the Commission on Form C-116 on or before the 15th day of June and the 15th day of November of each calendar year.

RULE 26: At no time will the horizontal boundaries of the Blinebry Gas Pool conflict with or overlap the horizontal boundaries of the Terry-Blinebry Oil Pool.

RULE 27: The horizontal limits of the Blinebry Gas Pool shall be those limits set forth in Exhibit "A" attached hereto and made a part hereof.

PROVIDED FURTHER, That special pool rules applicable to the Blinebry Oil Pool be, and the same hereby are promulgated as follows:

SPECIAL RULES FOR THE BLINEBRY OIL POOL

RULE 1: No gas, either dry gas or casinghead gas, shall be flared, vented or otherwise wasted in the Blinebry Oil Pool at any time after ninety (90) days dating from May 1, 1955, or ninety (90) days from the date of completion of a well in said pool, whichever is the later.

Any operator desiring to obtain an exception to the foregoing provision of this rule shall submit to the Director of the Commission an application for such exception accompanied by a sworn statement setting forth the facts and circumstances which justify such exception. The Director is hereby authorized to grant such exception when the granting of such is necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant.

The Director shall (a) grant the exception within 15 days following receipt of the application and statement, or (b) set the application for hearing before the Commission at a regularly scheduled monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Public notice of the hearing of the application shall be published in the manner provided by law.

Should the Director grant an exception to the provisions of Rule 1, notification of such exception shall be distributed to the Commission's regular mailing list.

RULE 2: An oil well in the Blinebry Oil Pool shall mean a well producing from within the vertical and horizontal limits of the Blinebry Oil Pool which:

(a) Produces liquid hydrocarbons possessing a gravity of less than 51° API, or,

(b) Produces liquid hydrocarbons possessing a gravity of greater than 51° API, but with a producing gas-liquid ratio not exceeding 32,000 cubic feet of gas per barrel of liquid hydrocarbon.

RULE 3: A well producing from within the vertical and horizontal limits of the Blinebry Oil Pool, and not classified as an oil well under 2, shall be classified as a gas well in the Blinebry Gas Pool.

RULE 4: The Proration Manager may reclassify a well under Rules 2 and 3 when production data, gas-oil ratio tests or other evidence reflects the need for such reclassification.

For proration purposes, the effective date of such reclassification shall be the first day of the next succeeding six-months gas proration period.



The Proration Manager shall notify the operator of the reclassified well of such reclassification and the effective date thereof; provided, however, that the operator of a reclassified well may appeal such reclassification to the Secretary-Director of the Commission in writing.

RULE 5: The limiting gas-oil ratio for oil wells in the Blinebry Oil Pool shall be 6,000 cubic feet of gas per barrel of oil. The provision of this rule shall become effective on May 1, 1955.

RULE 6: Acreage dedicated to an oil well producing from the Blinebry Oil Pool shall not be simultaneously dedicated to a gas well producing from the Blinebry Gas Pool.

RULE 7: The dual completion of a well to produce oil from the Blinebry Oil Pool and gas from the Blinebry Gas Pool is hereby prohibited.

RULE 8: The dual completion of a well to cause said well to be classified as an oil well in the Blinebry Oil Pool and an oil well in any other oil or gas pool as designated by the Commission is hereby prohibited.

RULE 9: Gas-liquid ratio tests and determinations of the gravity of that liquid hydrocarbon recovered from wells in the Blinebry Oil Pool shall be conducted semi-annually during the months of May and October on all wells located in and producing from the Blinebry Oil Pool. Results of such tests shall be submitted to the Commission on Form C-116, on or before the 15th day of June and the 15th day of November of each calendar year.

RULE 10: In the event an oil well in the Blinebry Oil Pool shall be reclassified as a gas well in the Blinebry Gas Pool, operator of such a well shall be afforded the opportunity to form a standard or non-standard gas proration unit for such well under the rules applicable to the Blinebry Gas Pool; provided, however, that until such unit is formed, such well shall be allocated a gas allowable commensurate with the acreage contained in the proration unit formerly dedicated to the oil well in the Blinebry Oil Pool.

RULE 11: The horizontal limits of the Blinebry Oil Pool shall be those limits set forth in Exhibit "B" attached hereto and made a part hereof.

PROVIDED FURTHER, That special rules applicable to the Terry-Blinebry Oil Pool be, and the same hereby are promulgated as follows:

SPECIAL RULES FOR THE TERRY-BLINEBRY OIL POOL

RULE 1: At no time will the horizontal boundaries of the Terry-Blinebry Oil Pool conflict with or overlap the horizontal boundaries of the Blinebry Gas Pool.

**RULE 2:** No gas, either dry gas or casinghead gas, shall be flared, vented or otherwise wasted in the Terry-Blinbry Oil Pool at any time after ninety days (90) dating from May 1, 1955, or ninety (90) days from the date of completion of a well in the said pool, whichever is the later.

Any operator desiring to obtain an exception to the foregoing provision of this rule shall submit to the Director of the Commission an application for such exception accompanied by a sworn statement setting forth the facts and circumstances which justify such exception. The Director is hereby authorized to grant such exception when the granting of such is necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant.

The Director shall (a) grant the exception within 15 days following receipt of the application and statement, or (b) set the application for hearing before the Commission at a regularly scheduled monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Public notice of the hearing of the application shall be published in the manner provided by law.

Should the Director grant an exception to the provisions of Rule 2, notification of such exception shall be distributed to the Commission's regular mailing list.

**RULE 3:** Bottom-hole pressure tests shall be conducted semi-annually during the months of May and October on all flowing oil wells producing from within the limits of the Terry-Blinbry Oil Pool. Results of such tests shall be reported to the Commission on Form C-124 on or before the 25th day of June and the 25th day of November of each calendar year.

Bottom-hole pressure tests will be conducted in accordance with Rule 302 of the Rules of the Commission. Shut-in time will be 48 hours; datum elevation will be 2400 feet subsea (-2400), and base temperature will be 100 degrees Fahrenheit.

**RULE 4:** The limiting gas-oil ratio for oil wells in the Terry-Blinbry Oil Pool shall be 6,000 cubic feet of gas per barrel of oil. The provision of this rule shall become effective on May 1, 1955.

**RULE 5:** The dual completion of a well to cause said well to be classified as an oil well in the Terry-Blinbry Oil Pool and an oil well in any other oil or gas pool as designated by the Commission is hereby prohibited.

**RULE 6:** The horizontal limits of the Terry-Blinbry Oil Pool shall be those limits set forth in Exhibit "C" attached hereto and made a part hereof.

**PROVIDED FURTHER,** That for gas allocation purposes and assignment of allowables, the provisions of this order shall become effective on May 1, 1955, unless otherwise stated in this order.

It is recognized that many wells will be reclassified and reassigned as a result of the provisions of this order and that the time involved in the reclassification of wells may cause certain inequities; therefore, the Proration Manager is hereby directed to take such action as he deems advisable to prevent inequitable withdrawals.

PROVIDED FURTHER, That in filing Form C-101, "Notice of Intention To Drill or Recomplete", all operators shall strictly comply with the provisions of Commission Rule 104, paragraph (e).

PROVIDED FURTHER, That failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Proration Manager shall notify the operator of the well and the purchaser in writing of the date of allowable cancellation and the reason therefor.

PROVIDED FURTHER, That a hearing shall be held on November 16, 1955, at which time the Commission shall hear testimony and receive evidence and shall revise the rules set forth in this order in accordance with testimony and evidence presented at said hearing, if such be necessary.

EXHIBIT "A"

Horizontal Limits of Blinebry Gas Pool

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Sec. 3: Lots 13, 14, 15 and 16, S/2  
Sec. 4: Lots 1, 2, 7, 8, 9, 10, 15 and 16, S/2  
Sec. 9: All  
Sec. 10: All  
Sec. 11: SW/4  
Sec. 14: W/2  
Sec. 15: All  
Sec. 16: All  
Sec. 21: All  
Sec. 22: All  
Sec. 23: All  
Sec. 26: W/2  
Sec. 27: All  
Sec. 28: All  
Sec. 33: All  
Sec. 34: All  
Sec. 35: All  
Sec. 36: All

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Sec. 1: All  
Sec. 2: All  
Sec. 3: All  
Sec. 4: All  
Sec. 9: All

EXHIBIT "A" (continued)

<u>TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM (continued)</u>	
Sec. 10:	All
Sec. 11:	All
Sec. 12:	All
Sec. 13:	All
Sec. 14:	All
Sec. 15:	All
Sec. 22:	All
Sec. 23:	All
Sec. 24:	All
Sec. 25:	All

EXHIBIT "B"

Horizontal Limits of Blinebry Oil Pool

<u>TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM</u>	
Sec. 3:	Lots 13, 14, 15 and 16, S/2
Sec. 4:	Lots 1, 2, 7, 8, 9, 10, 15 and 16, S/2
Sec. 9:	All
Sec. 10:	All
Sec. 11:	SW/4
Sec. 14:	W/2
Sec. 15:	All
Sec. 16:	All
Sec. 21:	All
Sec. 22:	All
Sec. 23:	All
Sec. 26:	W/2
Sec. 27:	All
Sec. 28:	All
Sec. 33:	All
Sec. 34:	All
Sec. 35:	All
Sec. 36:	All

<u>TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM</u>	
Sec. 1:	All
Sec. 2:	All
Sec. 3:	All
Sec. 4:	All
Sec. 9:	All
Sec. 10:	All
Sec. 11:	All

EXHIBIT "B" (continued)

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Sec. 12:	All
Sec. 13:	All
Sec. 14:	All
Sec. 15:	All
Sec. 22:	All
Sec. 23:	All
Sec. 24:	All
Sec. 25:	All

EXHIBIT "C"

Horizontal Limits of Terry-Blinebry Oil Pool

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Sec. 32:	SE/4
Sec. 33:	S/2
Sec. 34:	S/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Sec. 1:	Lots 9, 10, 11, 12, 13, 14, 15 & 16, S/2
Sec. 2:	All
Sec. 3:	Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12
Sec. 4:	Lots 3, 4, 5, 6, 11, 12, 13 and 14
Sec. 11:	N/2, SE/4
Sec. 12:	All
Sec. 13:	All
Sec. 14:	E/2
Sec. 24:	All
Sec. 25:	All
Sec. 26:	E/2

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

/ir

201  
992

AZTEC OIL & GAS COMPANY  
920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

November 4, 1955

Oil Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Re: Application for Exception to  
Rule 5(A) of Order R-610, as  
amended, for Establishment of  
a Non-Standard Gas Proration  
Unit in the Blinebry Gas Pool,  
Lea County, New Mexico

Gentlemen:

Aztec Oil & Gas Company (hereinafter referred to as "Applicant") hereby submits its application for administrative approval of a non-standard gas proration unit comprising the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as reflected on the plat attached hereto, effective November 1, 1955.

In support of this application, Applicant respectfully states and shows the following:

1. Applicant's Dauron No. 2-B Well, located 660 feet south of the north line and 525 feet west of the east line of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, was dually completed in the Blinebry formation on January 11, 1951, and thereafter connected to the pipe line system of Southern Union Gas Company.
2. The proposed non-standard gas proration unit consists of 40 acres.
3. The proposed non-standard gas proration unit lies wholly within a single governmental section.
4. The proposed non-standard gas proration unit may reasonably be presumed to be productive of gas from the Blinebry Gas Pool.
5. The length or width of the non-standard gas proration unit does not exceed 2640 feet.
6. Applicant owns the entire working interest in the proposed non-standard gas proration unit.

November 4, 1955

7. Applicant has been unsuccessful in its efforts to pool the lands covered by this application with adjoining lands to form a standard gas proration unit as provided by Order R-610, as amended.

8. Unless the non-standard gas proration unit, as requested herein, is approved by the Commission, Applicant will be deprived of the opportunity to recover its just and equitable share of the gas from the reservoir.

9. So far as is known to Applicant, the following constitute the only companies other than Applicant owning an interest in the lands offsetting the proposed unit, and such companies are being notified by registered mail of this proposed non-standard gas proration unit by the mailing of a copy of this application to them:

Continental Oil Company  
1710 Fair Building  
Fort Worth, Texas

The Atlantic Refining Company  
Atlantic Building  
Dallas, Texas

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Standard Oil Company of Texas  
Box 1249  
Houston, Texas

Shell Oil Company  
Box 1457  
Hobbs, New Mexico

Therefore, Applicant respectfully requests the Director of the Commission grant an exception to Rule 5 (A) in accordance with the provisions of Rule 5(B) of Order R-610, as amended, approving the non-standard gas proration unit hereinabove requested.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis  
General Attorney

STATE OF TEXAS }  
COUNTY OF DALLAS }

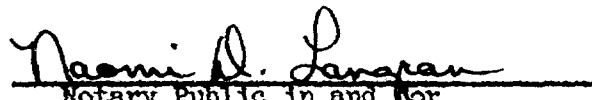
Quilman B. Davis, being first duly sworn, hereby states that he is

November 4, 1955

General Attorney of Aztec Oil & Gas Company, the Applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and, to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct; and that a copy of this application was duly deposited on November 7, 1955 in the United States post office as registered mail, with all charges prepaid, addressed to the parties listed in paragraph 9 of this application.

  
Quilman B. Davis

Sworn to and subscribed before me, the undersigned authority, this 7th day of November, 1955.

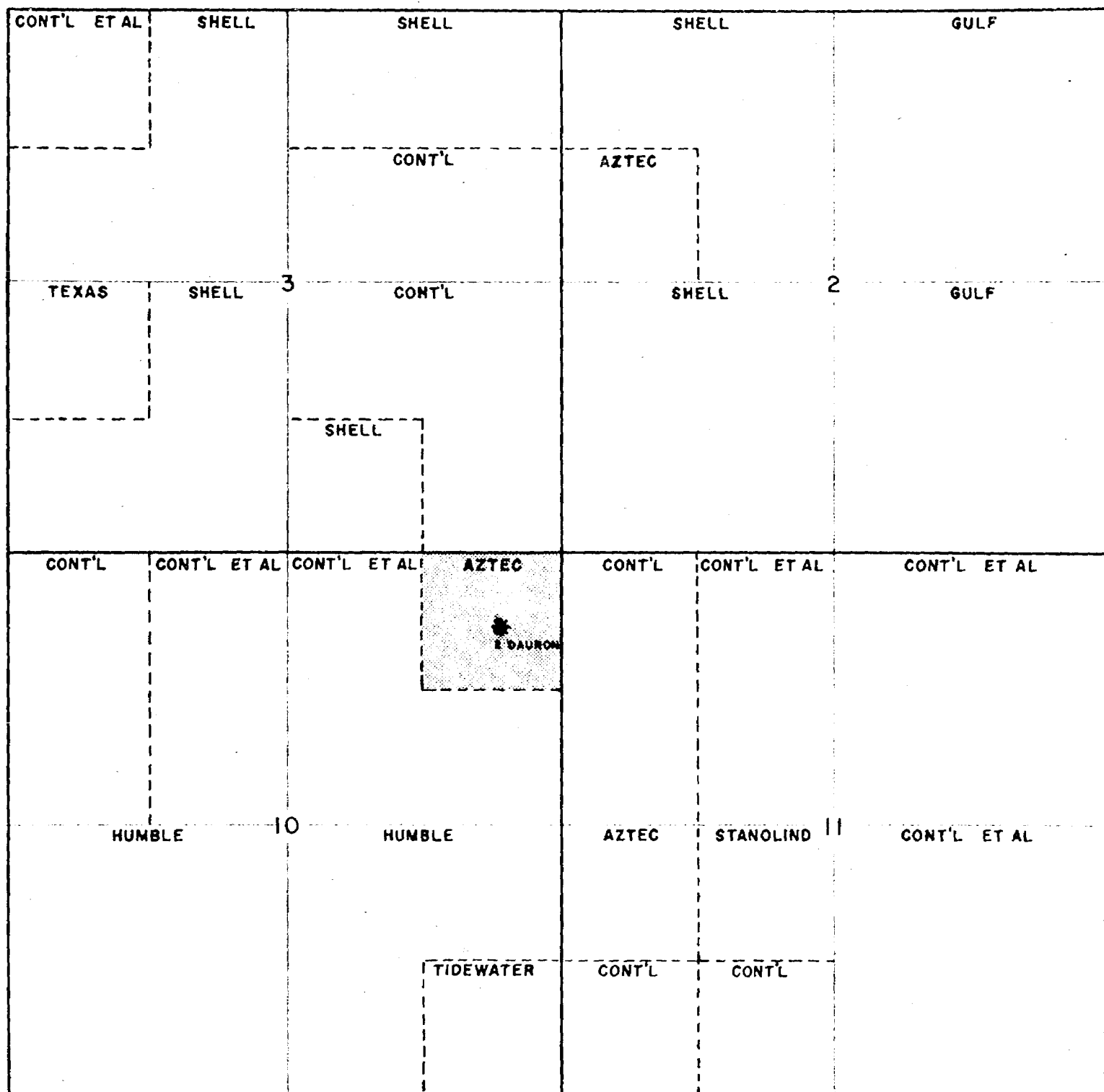
  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

June 1, 1957



SECTION 2, 3, 10, 11 TOWNSHIP T-21-S RANGE 37-E COUNTY LEA STATE N.M.



AZTEC OIL & GAS COMPANY

SCALE: 4 INCHES = 1 MILE

EXHIBIT "A" - APPLICATION FOR  
NON-STANDARD GAS PRORATION UNIT -  
BLINEBRY GAS POOL

N 511 LI

CERTIFICATE

STATE OF NEW MEXICO     )  
                              ; ss  
COUNTY OF SANTA FE     )

I, W. B. Lacey, member and secretary and director of the Oil Conservation Commission of the State of New Mexico, do hereby certify that the attached copies of orders, allowable schedules and proration schedules of said Commission are true and correct copies of the originals of said orders, allowable schedules and proration schedules now on file in the office of said Commission. Said orders, allowable schedules and proration schedules, of which copies are attached, are more particularly described as follows:

1. ORDER No. AG-1 and SCHEDULE "A" attached thereto.
2. ORDER No. AG-1-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.
3. ORDER No. AG-1-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.
4. ORDER No. AG-1-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.
5. ORDER No. AG-1-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on January, 1956, docket of the Commission.

6. ORDER No. AG-1-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

7. ORDER No. AG-1-F and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

8. ORDER No. AG-2 and SCHEDULE "A" attached thereto.

9. ORDER No. AG-2-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

10. ORDER No. AG-2-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

11. ORDER No. AG-2-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

12. ORDER No. AG-2-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

13. ORDER No. AG-2-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil

and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

14. ORDER No. AG-2-F and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

15. ORDER No. AG-3 and SCHEDULE "A" attached thereto.

16. ORDER No. AG-3-A and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

17. ORDER No. AG-3-B and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

18. ORDER No. AG-3-C and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

19. ORDER No. AG-3-D and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

20. ORDER No. AG-3-E and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

21. ORDER No. AG-3-P and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

22. ORDER No. AG-4 and SCHEDULE "A" attached thereto.

23. ORDER No. AG-4-1 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

24. ORDER No. AG-4-2 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

25. ORDER No. AG-4-3 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

26. ORDER No. AG-4-4 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

27. ORDER No. AG-4-5 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

28. ORDER No. AG-4-6 and the sheet of proration schedule attached thereto being that portion of the proration schedule re-

ferred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

29. ORDER No. AG-5 and SCHEDULE "A" attached thereto.

30. ORDER No. AG-5-1 and the sheet of proration schedule attached thereto being that portion of the proration schedule referred to in paragraph (3) of this order, which covers Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the Commission.

31. ORDER No. R-264-A.

32. ORDER No. R-372-A.

33. ORDER No. R-464.

34. ORDER No. R-610.

I do further hereby certify, after diligent search of the records of said Oil Conservation Commission, that the above described are all of the orders, allowable schedules and proration schedules that have been adopted by the Oil Conservation Commission of the State of New Mexico affecting Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the said Commission located in the Blinbry Gas Pool in the NE/4 NE/4 of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the period from November 10, 1953, to January 18, 1956, both inclusive.

IN WITNESS WHEREOF I have affixed my hand and the seal of the Oil Conservation Commission of the State of New Mexico on this \_\_\_\_\_ day of January, 1956.

W. B. Hacey  
Member, Secretary and Director of  
the Oil Conservation Commission  
of the State of New Mexico

Subscribed and sworn to before me this \_\_\_\_\_ day of January, 1956.

My commission expires:

Notary Public

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

February 13, 1956

AIR MAIL

Mr. W. B. Macey  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

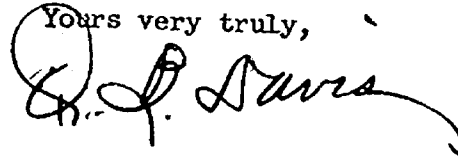
Dear Bill:

In accordance with your request, I am enclosing  
an original and three copies of Aztec Oil & Gas  
Company's brief relating to its Case 992 heard by  
the Commission on January 19.

Should you need any additional information or  
data concerning this matter, please let me know.

With best personal regards, I am

Yours very truly,



QBD:NL  
Encs.

**AZTEC OIL & GAS COMPANY**

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

November 7, 1955

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey,  
Secretary-Director

Re: NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, Twp.  
21 South, Range 37 East,  
N.M.P.M., Lea County, N.M.  
Aztec Oil & Gas Company's  
Dauron No. 2-B Well Producing  
from the Blinbry Gas Forma-  
tion

Gentlemen:

In late February, 1954, Mr. Van Thompson and I, representing Aztec Oil & Gas Company, met in Fort Worth with representatives of Continental Oil Company to work out an equitable means of communitizing Blinbry and Tubb gas rights of the respective companies in the NE $\frac{1}{4}$  of Section 10, and the SW $\frac{1}{4}$  of Section 11, Township 21 South, Range 37 East, N.M.P.M. As a result of this meeting and the agreements reached between representatives of the two companies, our office prepared and submitted to Continental's Fort Worth office on March 9, 1954 communitization agreements and operating agreements covering the pooling of our respective gas rights agreed upon at the meeting referred to above.

Since it appeared that there would be some delay in completing the agreements, which we understood to be due to circulation of the papers for signatures of the partners of Continental Oil Company, our company, on June 18, 1954, requested the Commission to grant a 160-acre gas allowable for the Dauron No. 2-C Well (now referred to as 2-B) retroactive to January 1, 1954, in accordance with and pursuant to Order No. R-372-A. Continental Oil Company, Stanolind Oil and Gas Company, Atlantic Refining Company, and Standard Oil Company of Texas joined in our request for the 160-acre allowable by Continental Oil Company's letter addressed to the Commission on June 24, 1954.

We made several inquiries to Continental as to the status of the agreements, but it was not until on or about September 29 of this year that we were advised that Continental and their partners could



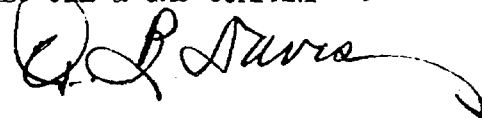
November 7, 1955

not go through with the pooling and communitization of the lands referred to above as verbally agreed to in February, 1954. We have had two meetings, September 29 and October 17, with representatives of Continental and it now appears that we will be unable to consummate the communitization and pooling of the NE $\frac{1}{4}$  of Section 10 referred to in my letter of June 18, 1954 to the Commission.

It is, therefore, requested that in view of the foregoing the gas allowable for the Aztec-Dauron No. 2-B Well be reduced to a 40-acre unit allowable effective as of November 1, 1955.

Yours very truly,

AZTEC OIL & GAS COMPANY .



General Attorney

QBD:NL

cc - Continental Oil Company  
Stanolind Oil and Gas Company  
The Atlantic Refining Company  
Standard Oil Company of Texas  
Shell Oil Company

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

November 7, 1955

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey,  
Secretary-Director

Re: NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 10, Twp. 21 S.,  
R. 37 E., Lea County - Aztec  
Oil & Gas Company's Dauron No.  
2-C Blinebry Gas Well

Gentlemen:

We received a copy of Continental Oil Company's letter of November 4, 1955, addressed to the Commission, concerning our Dauron No. 2-C Blinebry gas well. I would like to clarify an inference in the letter that it is impossible to communitize the Blinebry gas rights underlying the NE $\frac{1}{4}$  of Section 10. Aztec Oil & Gas Company is still agreeable to the communitization and pooling of these gas rights in accordance with the understanding and agreement worked out with representatives of Continental Oil Company in February, 1954, but is unwilling to be retraded on the communitization and pooling arrangements approximately one and one-half years later.

I cannot agree with the contention made in Mr. Adams's letter that our well is overproduced, because the 160-acre allowable was assigned by the Commission on the representations of all of the companies having an interest in the NE $\frac{1}{4}$  of Section 10. In fact, you will recall that Aztec had previously filed an application with the Commission asking for a 40-acre unit allowable; and upon being approached by Continental concerning the formation of the unit, the Commission was requested to dismiss our application.

In view of the fact that Aztec Oil & Gas Company acted in good faith in requesting the 160-acre unit gas allowable and produced the Dauron No. 2 Well on this basis, and with the thought that the

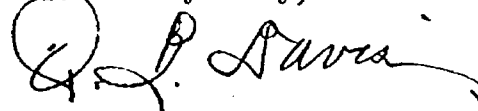
New Mexico Oil Cons. Comm.

-2-

November 7, 1955

communitization would eventually be consummated as agreed upon, we do not believe that there is any basis or justification for reducing the allowable retroactive to January 1, 1954, as requested by Continental.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Q. P. Davis". The signature is written in dark ink and is positioned to the right of the typed name "Q. P. Davis".

QBD:NL

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

November 7, 1955

AIR MAIL

Mr. W. B. Macey, Secretary-Director  
Oil Conservation Commission  
State of New Mexico  
P. O. 871  
Santa Fe, New Mexico

Dear Bill:

There are enclosed for your approval and action the Company's letter requesting that the Aztec-Dauron No. 2-B Blinbry gas well be reduced to a 40-acre allowable and our application, in triplicate, requesting administrative approval of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, as a non-standard gas proration unit under the Blinbry gas proration order.

A copy of our letter and application are being sent by registered mail to the offset operators.

With best personal regards, I am

Yours very truly,

*Quilman*

QBD:NL  
Encs.

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

November 9, 1955

Oil Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

Reference is made to our November 4, 1955 application to the Commission for administrative approval of a 40-acre non-standard gas proration unit for our Dauron No. 2-B Well.

Under paragraph 1 of our application, we would like to correct the date of dual completion. This well was first completed in the Drinkard formation on January 11, 1951; but the date on which it was dually completed in the Blinebry formation should be February 26, 1953.

Yours very truly,

*Quilman B. Davis*  
NL

QBD:NL

## CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, PRESIDENT

## SYMBOLS

DL=Day Letter  
NL=Night Letter  
LT=International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA042 DA121

(59) 10 9 12

D LLB74 PD=FAX DALLAS TEX 10 941AMC=

W B MACEY, SECRETARY=DIRECTOR=

OIL CONSERVATION COMMISSION SANTA FE NMEX=

PLAN TO BE AT THE NOVEMBER 16 HEARING AND WILL BE GLAD TO STAY OVER FOR A MEETING THURSDAY MORNING AT 9 AM. WILL CONTACT YOU WHEN I ARRIVE TUESDAY. REGARDS=  
QUILMAN B DAVIS AZTEC OIL & GAS COMPANY=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

## CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

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LA108 DDC266

(13) 11 2 22

D LLF349 PD=FAX DALLAS TEX 11 252TMC=

1955 NOV 11 PM 2 22

W B MACEY, SECRETARY DIRECTOR=

NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE NMEX=

RE PROPOSED MEETING WITH CONTINENTAL NOVEMBER 17. WILL GREATLY APPRECIATE YOUR POSTPONING THIS MEETING UNTIL THE OIL AND GAS ASSOCIATION MEETING IN ALBUQUERQUE. REGARDS=  
QUILMAN B DAVIS AZTEC OIL & GAS CO=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 12, 1955

Mr. Quilman Davis  
Aztec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Dear Sir:

Reference is made to your application of November 4th for an exception to Rule 5 (a) of Order R-610 pertaining to the establishment of a 40 acre non-standard gas proration unit in the Blinbry Gas Pool.

Due to the many complex problems involved in this matter, I feel that it would be advisable for approval of this unit to come from the entire Commission. Therefore, I will set your application for hearing before the Commission at the regular hearing on January 19th.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp

BC-Mr. Jason Kellahin  
P.O. Box 597  
Santa Fe, New Mexico

C  
O  
P  
Y

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

January 24, 1956

Mr. Harry G. Dippel  
Continental Oil Company  
1710 Fair Building  
Ft. Worth, Texas

Mr. Jason Kellahin  
P.O. Box 597  
Santa Fe, New Mexico

Mr. Quilman Davis  
Astec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Mr. Jack Campbell  
J. P. White Building  
Roswell, New Mexico

Re: Case 992

Gentlemen:

Reference is made to the above-captioned case which was heard by this Commission on January 19th.

Due to the complex nature of the case I feel that it would be advisable for both companies involved to submit written briefs on the case. Therefore, I would appreciate it very much if you would furnish us with two copies of your brief by February 15th.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp

C  
O  
P  
Y





## CONTINENTAL OIL COMPANY

PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

November 4, 1955

R. L. ADAMS  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macy,  
Secretary-Director

Re: NE/4 of Section 10, T-21S,  
R-37-E, Lea County, New Mexico,  
Aztec Oil & Gas Company's  
Dauron No. 2-C well producing  
from the Blinbry formation  
in the NE/4 NE/4 of said Section

Gentlemen:

Early in 1954, Aztec Oil & Gas Company, as the working interest owner of the NE/4 NE/4 of Section 10, T-21-S, R-37-E, N.M.P.M., Lea County, New Mexico, and Continental Oil Company, as Operator, for itself and for The Atlantic Refining Company, Stanolind Oil & Gas Company, and Standard Oil Company of Texas, as Non-operators, as the working interest owners of the remaining acreage in the NE/4 of said Section, were negotiating for a communitization of said quarter section for Blinbry production, utilizing Aztec's previously completed Dauron #2-C well therefor. At Aztec's request, Continental Oil Company wrote you under date of June 24, 1954, notifying you of such negotiations and requesting that a 160-acre allowable be assigned such well.

After a final effort by Continental Oil Company to consummate such an agreement with Aztec, it appears that no communitization will be effected. Consequently, to the extent that you acted on the basis of such proposed communitization in granting Aztec's said Dauron #2-C well a 160-acre allowable for production from the Blinbry, it seems no reasonable basis therefor presently exists, and that said well is now in the position of having overproduced, because there never has, in fact, been more than 40 acres committed to it.

It is, therefore, respectfully requested that said

New Mexico Oil Conservation Commission  
Page 2

well be given an allowable based on 40 acres and that the same be made retroactive to January 1, 1954.

It is regrettable that the anticipation of effecting a 160-acre unit was so prolonged, to end thus in failure, and to the extent that the delay was in any part Continental Oil Company's, we do regret it.

Yours very truly,

*R. L. Adams*

RIA-SM

New Mexico Oil Conservation Commission  
Page 2

well be given an allowable based on 40 acres and that the same be made retroactive to January 1, 1954.

It is regrettable that the anticipation of effecting a 160-acre unit was so prolonged, to end thus in failure, and to the extent that the delay was in any part Continental Oil Company's, we do regret it.

Yours very truly,

*R. L. Adams*

RLA-SM

MAIN OFFICE OCC



1954 JUN 23 AM 8:37

# CONTINENTAL OIL COMPANY

FAIR BUILDING  
FORT WORTH 2, TEXAS

S. V. MCCOLLUM  
ASSISTANT REGIONAL MANAGER OF PRODUCTION  
SOUTHWESTERN REGION

June 24, 1954

ON COPY BEFORE THE COMMISSION  
CASE 9923

New Mexico Oil Conservation  
Commission  
State Capitol Building  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

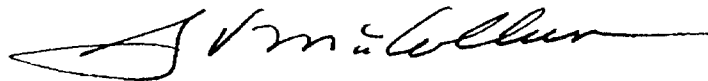
Mr. Q. B. Davis of Aztec Oil and Gas Company wrote you a letter dated June 18, stating that Aztec Oil and Gas Company, Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas had agreed to communitize and pool their respective oil and gas interests in the Northeast quarter of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico, for the purpose of forming an orthodox gas proration unit consisting of 160 acres more or less, for the Aztec Oil and Gas Company Dauron No. 2-C well, producing from the Blinebry formation.

Since we anticipate that there will be some delay in completing the execution of the communitization agreement and related papers, it is requested on behalf of Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas that a full

New Mexico Oil Conservation  
Commission  
Page 2

160-acre unit gas allowable be set up for the said Aztec  
Dauron No. 2-C well, retroactive to January 1, 1954, in  
accordance with and pursuant to Order No. R-372-A.

Yours very truly,



SVMc-HE  
Carbon copies to:  
Mr. R. T. Cox  
The Atlantic Refining Co.  
Midland, Texas

Mr. C. L. Kelley  
Stanolind Oil and Gas Co.  
Roswell, New Mexico

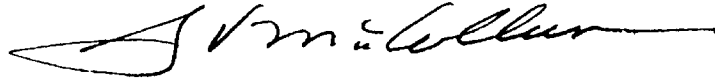
Mr. H. W. Mathews  
Standard Oil Co. of Texas  
Houston 1, Texas

Mr. Q. B. Davis  
Aztec Oil and Gas Co.  
Burt Building  
Dallas, Texas

New Mexico Oil Conservation  
Commission  
Page 2

160-acre unit gas allowable be set up for the said Aztec  
Dauron No. 2-C well, retroactive to January 1, 1954, in  
accordance with and pursuant to Order No. R-372-A.

Yours very truly,



SVMc-HE  
Carbon copies to:  
Mr. R. T. Cox  
The Atlantic Refining Co.  
Midland, Texas

Mr. C. L. Kelley  
Stanolind Oil and Gas Co.  
Roswell, New Mexico

Mr. H. W. Mathews  
Standard Oil Co. of Texas  
Houston 1, Texas

Mr. Q. B. Davis  
Aztec Oil and Gas Co.  
Burt Building  
Dallas, Texas

AZTEC OIL & GAS COMPANY OFFICE OCC  
BURT BUILDING

DALLAS 1, TEXAS 1954 JUN 21 AM 9:03  
June 18, 1954

New Mexico Oil Conservation Commission  
State Capitol Building  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey  
Chief Engineer

Re: Communitization of NE $\frac{1}{4}$  of Section 10,  
Township 21 South, Range 37 East, N.M.P.M.,  
Lea County, New Mexico, for gas production  
from the Blinbry formation

Gentlemen:

Aztec Oil & Gas Company, Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company and Standard Oil Company of Texas have agreed to the communitization and pooling of their respective oil and gas leasehold interest in the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the purpose of forming an orthodox gas proration unit consisting of 160 acres, more or less, for the Aztec Oil & Gas Company Dauron No. 2-C Well producing from the Blinbry formation.

The communitization (pooling) agreement and related papers are now being circulated for signatures of the above-named companies. Since we anticipate that there will be some delay in completing the execution of all of the papers, it is requested that a full 160-acre unit gas allowable be set up for the Aztec Dauron No. 2-C Well retroactively to January 1, 1954, in accordance with, and pursuant to, Order No. R-372-A.

Yours very truly,

AZTEC OIL & GAS COMPANY

BY Q. L. Davis  
General Attorney

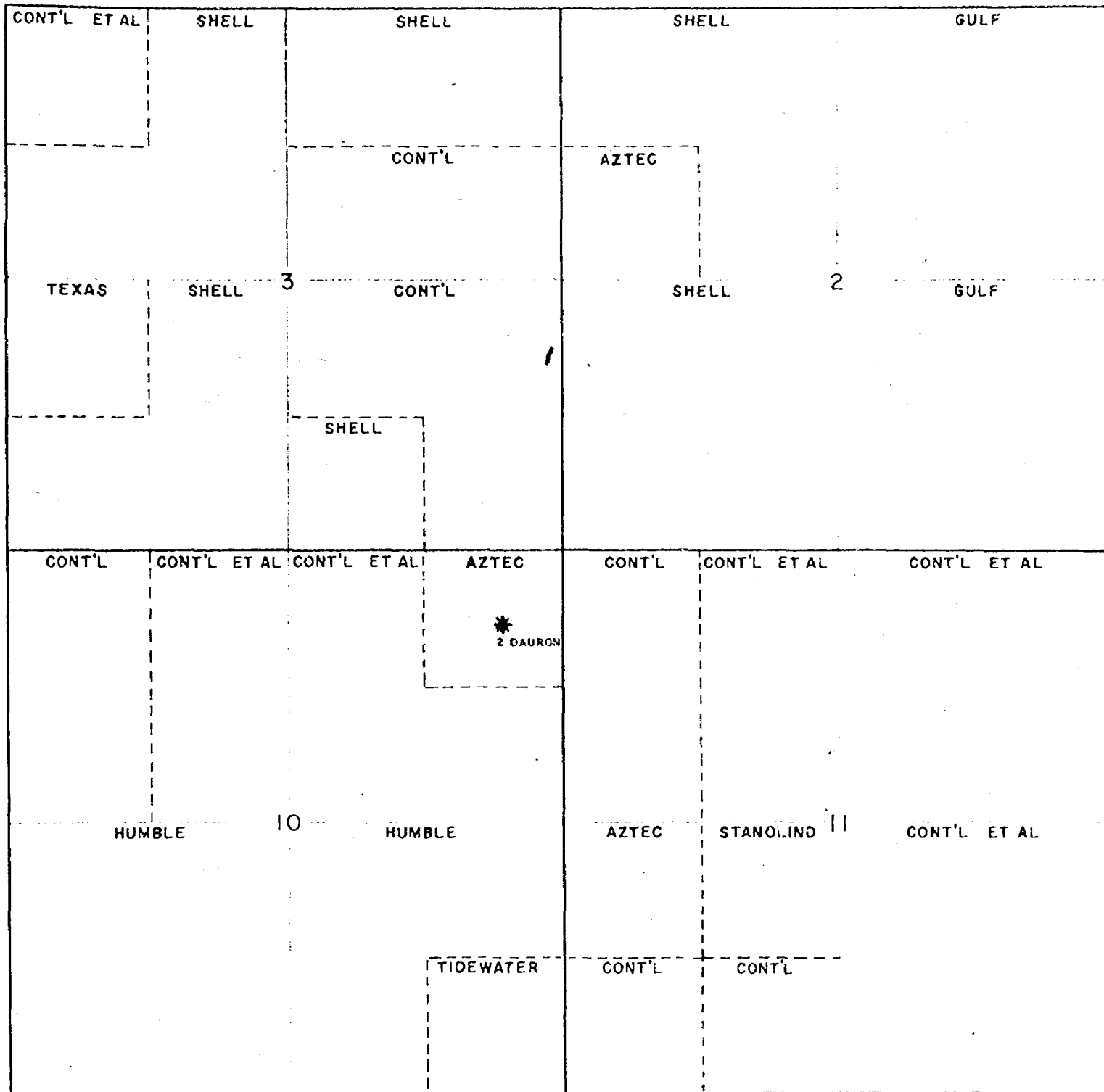
QBD:dl

cc: Continental Oil Company, Ft. Worth, Texas  
Stanolind Oil and Gas Company, Ft. Worth, Texas  
The Atlantic Refining Company, Dallas, Texas  
Standard Oil Company of Texas, Dallas, Texas

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 2  
CASE 4907

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Aztec* EXHIBIT No. 1  
CASE 992

SECTION 2, 3, 10, 11 TOWNSHIP T-21-S RANGE 37-E COUNTY LEA STATE N.M.



AZTEC OIL & GAS COMPANY

SCALE: 4 INCHES = 1 MILE

EXHIBIT "A" - APPLICATION FOR  
NON-STANDARD GAS PRORATION UNIT -  
BLINEBRY GAS POOL

N 511 LI



**AZTEC OIL & GAS COMPANY**

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

November 4, 1955

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
CASE NO. 947

Oil Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Re: Application for Exception to  
Rule 5(A) of Order R-610, as  
amended, for Establishment of  
a Non-Standard Gas Proration  
Unit in the Blinebry Gas Pool,  
Lea County, New Mexico

Gentlemen:

Aztec Oil & Gas Company (hereinafter referred to as "Applicant") hereby submits its application for administrative approval of a non-standard gas proration unit comprising the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as reflected on the plat attached hereto, effective November 1, 1955.

In support of this application, Applicant respectfully states and shows the following:

1. Applicant's Dauron No. 2-B Well, located 660 feet south of the north line and 525 feet west of the east line of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, was dually completed in the Blinebry formation on January 11, 1951, and thereafter connected to the pipe line system of Southern Union Gas Company.
2. The proposed non-standard gas proration unit consists of 40 acres.
3. The proposed non-standard gas proration unit lies wholly within a single governmental section.
4. The proposed non-standard gas proration unit may reasonably be presumed to be productive of gas from the Blinebry Gas Pool.
5. The length or width of the non-standard gas proration unit does not exceed 2640 feet.
6. Applicant owns the entire working interest in the proposed non-standard gas proration unit.

November 4, 1955

7. Applicant has been unsuccessful in its efforts to pool the lands covered by this application with adjoining lands to form a standard gas proration unit as provided by Order R-610, as amended.

8. Unless the non-standard gas proration unit, as requested herein, is approved by the Commission, Applicant will be deprived of the opportunity to recover its just and equitable share of the gas from the reservoir.

9. So far as is known to Applicant, the following constitute the only companies other than Applicant owning an interest in the lands offsetting the proposed unit, and such companies are being notified by registered mail of this proposed non-standard gas proration unit by the mailing of a copy of this application to them:

Continental Oil Company  
1710 Fair Building  
Fort Worth, Texas

The Atlantic Refining Company  
Atlantic Building  
Dallas, Texas

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Standard Oil Company of Texas  
Box 1249  
Houston, Texas

Shell Oil Company  
Box 1457  
Hobbs, New Mexico

Therefore, Applicant respectfully requests the Director of the Commission grant an exception to Rule 5 (A) in accordance with the provisions of Rule 5(B) of Order R-610, as amended, approving the non-standard gas proration unit hereinabove requested.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By

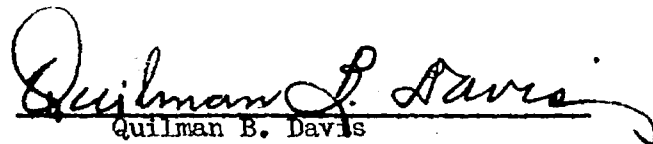
*Quilman B. Davis*  
General Attorney

STATE OF TEXAS )  
COUNTY OF DALLAS )

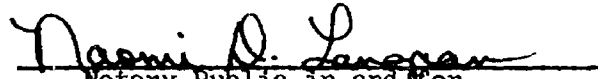
Quilman B. Davis, being first duly sworn, hereby states that he is

November 4, 1955

General Attorney of Aztec Oil & Gas Company, the Applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and, to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct; and that a copy of this application was duly deposited on November 7, 1955 in the United States post office as registered mail, with all charges prepaid, addressed to the parties listed in paragraph 9 of this application.

  
Guilman B. Davis

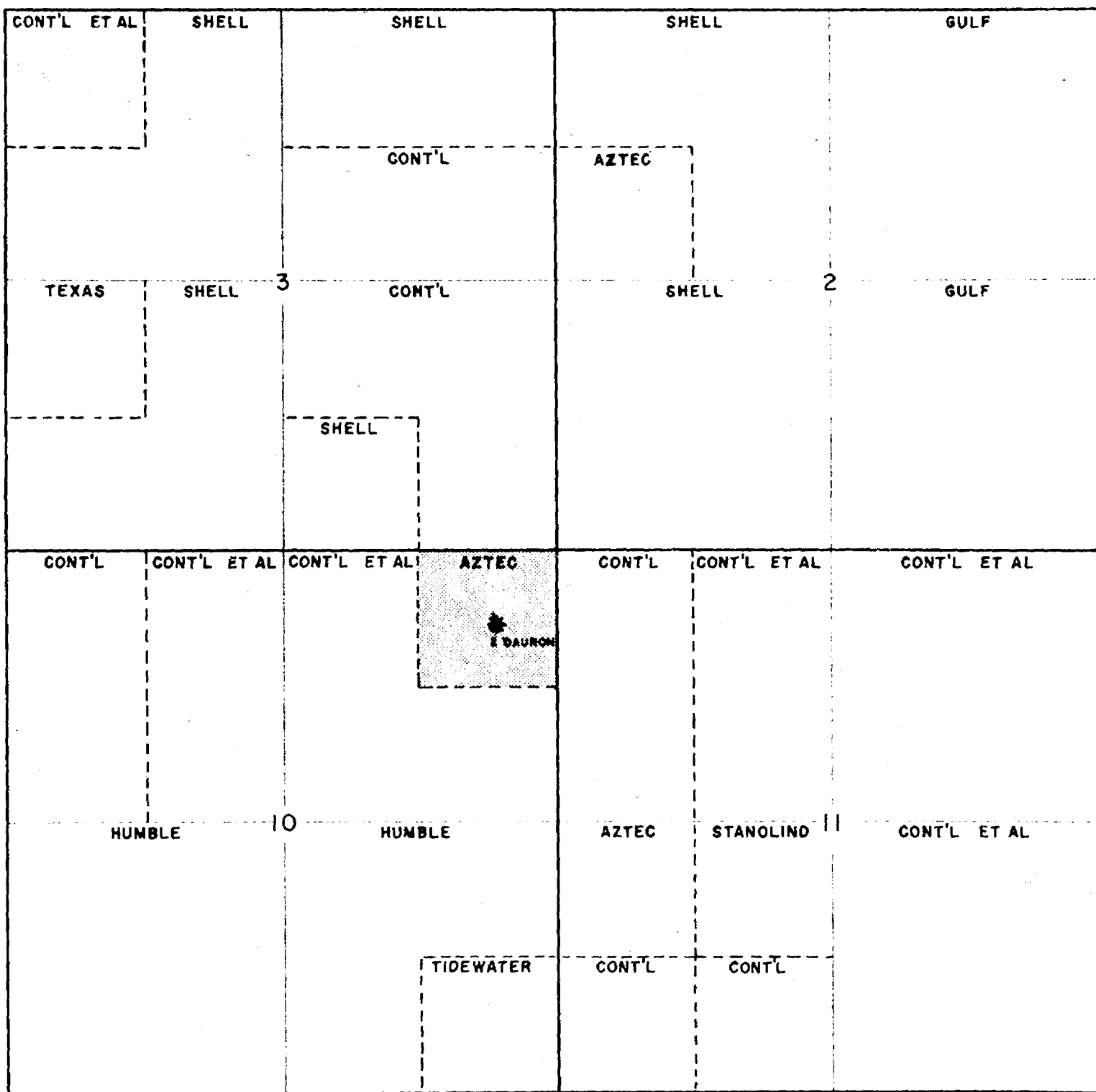
Sworn to and subscribed before me, the undersigned authority, this 7th day of November, 1955.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

June 1, 1957

SECTION 2, 3, 10, 11 TOWNSHIP T-21-S RANGE 37-E COUNTY LEA STATE N.M.



AZTEC OIL & GAS COMPANY

SCALE: 4 INCHES = 1 MILE

EXHIBIT "A" - APPLICATION FOR  
NON-STANDARD GAS PRORATION UNIT -  
BLINBRY GAS POOL

N 511 LI

# Memo

5/1/56

From  
WWR

To  
Case File No. 992

Donoco Ex. # 2

Gas well Plot on Aztec Down #2

" Ex # 3

C-110 on Aztec Down #2

" Ex # 4

C-110 on Aztec Down #2

" Ex # 5

C-104 " " " #2

all returned to well file  
on 5/1/56 by WWR

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 586  
Order No. R-372-A

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION FOR ALL  
OPERATORS AND INTERESTED PARTIES IN THE  
BLINEBRY GAS POOL TO SHOW CAUSE WHY THE  
RULES AND REGULATIONS AS SET OUT IN ORDER  
R-356, WITH ANY ESSENTIAL AMENDMENTS,  
SHOULD NOT BE PUT INTO EFFECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a. m. , on October 28, 1953,  
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,  
hereinafter referred to as the "Commission".

NOW, on this 10th day of November, 1953, the Commission, a quorum  
being present, having considered the testimony adduced, the exhibits received, the  
statements of interested parties, the official records of this Commission and other  
pertinent data, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given, the Commission has jurisdiction  
of this cause.

(2) That the Commission, for the purpose of preventing waste and drainage,  
and for the protection of correlative rights, entered Order R-356, establishing certain  
general or "stand-by" rules and regulations relating to the proration of gas well gas,  
proration units, well spacing, and other related matters in the gas pools of Eddy, Lea,  
Chaves and Roosevelt Counties, New Mexico, applicable in all cases only after special  
rules for each gas pool shall have been promulgated.

(3) That thereafter, after due notice and hearing, Order R-372 was duly  
entered by the Commission. Order R-372 adopted the general or "stand-by" rules  
promulgated by Order R-356 as the Special Rules and Regulations of the Blinebry  
Gas Pool, heretofore established. R-372 was entered pending a further order in the  
premises, said order to be entered only after all interested parties were afforded the  
opportunity to be heard in the matter.

(4) That as a result of such hearing and in consideration of the testimony adduced Special Pool rules should be promulgated for the Blinebry Gas Pool, heretofore established, described and classified as a gas pool. That the Special pool rules should approximate the general rules and regulations promulgated by Order R-356 insofar as the same are applicable to the Blinebry Gas Pool, and should conform, generally with the provisional special rules of Order R-372.

(5) That in order for the Commission to evaluate and delineate the actual productive limits of the Blinebry Gas Pool all operators of gas wells within the defined limits of the Blinebry Gas Pool should supply certain Geological and Reservoir data to the Commission.

(6) That pending further study and orders, the allocation of gas in the Blinebry Gas Pool should be calculated on the basis of 100 per cent acreage, based upon the standard 160 acre proration unit, which unit is limited to a regular quarter section subdivision of the U. S. Public Land Surveys and consisting of not less than 158 nor more than 162 acres, substantially in the form of a square, with provision for deviation therefrom particularly in cases of wells heretofore completed where the impracticability of unitization is apparent.

(7) That an adequate gas well testing procedure should be adopted as soon as possible so that operators, purchasers and the Commission can determine the fairness and feasibility of an allocation factor for the pool which employs the factors of deliverability, pressure, or any other factor relating to gas well productivity.

IT IS THEREFORE ORDERED:

That Special Pool Rules applicable to the Blinebry Gas Pool, be and the same hereby are promulgated and are as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE BLINEBRY GAS POOL  
LEA COUNTY, NEW MEXICO

WELL SPACING AND ACREAGE REQUIREMENTS FOR DRILLING TRACTS.

RULE 1. Any well drilled a distance of one mile or more from the outer boundary of the Blinebry Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile from the outer boundary of the Blinebry Gas Pool shall be spaced, drilled, operated and prorated in accordance with the Regulations in effect in the Blinebry Gas Pool.

RULE 2. Each well drilled or recompleted within the Blinebry Gas Pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

RULE 3. Each well drilled within the Blinebry Gas Pool shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to a quarter-quarter section or subdivision inner boundary nor closer than 1320 feet

to a well drilling to or capable of producing from the same pool,

RULE 4. The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 3 without Notice and Hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 1320 foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all operators within such radius have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection of any offset operator. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

RULE 5. The provision of Statewide Rule 104 Paragraph (k), shall not apply to the Blinebry Gas Pool located in Lea County, New Mexico.

#### GAS PRORATION

RULE 6. The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Blinebry Gas Pool and other relevant data and shall fix the allowable production of the Blinebry Gas Pool, and shall allocate production among the gas wells in the Blinebry Gas Pool upon a reasonable basis with due regard to correlative rights.

#### PRORATION UNITS

RULE 7. (a) For the purpose of gas allocation in the Blinebry Gas Pool, a standard proration unit shall consist of between 158 and 162 contiguous surface acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys; provided, however, that a gas proration unit other than a legal quarter section may be formed after notice and hearing by the Commission, or as outlined in Paragraph (b). Any allocation unit containing less than 158 acres or more than 162 acres shall be a non-standard unit and its allowable shall be decreased or increased to that proportion of the standard unit allowable that the number of acres contained therein bears to 160 acres. Any standard proration unit consisting of between 158 and 162 contiguous surface acres shall be considered as containing 160 acres for the purpose of gas allocation.

(b) The Secretary of the Commission shall have authority to grant an exception to Rule 7 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The non-standard unit consists of less acreage than a standard proration unit.



2. The acreage assigned to the non-standard unit lies wholly within a legal quarter section and contains a well capable of producing gas into a gas transportation facility on the date of this order.

3. The operator receives written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

#### GAS ALLOCATION

RULE 8. At least 30 days prior to the beginning of each gas proration period the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Blinebry Gas Pool. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 9. Each month, the Commission shall cause to be submitted by each gas purchaser its "Supplemental Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration month from the Blinebry Gas Pool. The Commission shall hold a public hearing between the 15th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month. Included in the monthly proration schedule shall be a tabulation of allowable and production for the second preceding month together with an adjusted allowable computation for the second preceding month. Said adjusted allowable shall be computed by comparing the actual allowable assigned with the actual production. In the event the allowable assigned is greater than the actual production, the allowables assigned the top allowable units shall be reduced proportionately, and in the event the allowable assigned is less than the production then the allowables assigned the top allowable units shall be increased proportionately. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Blinebry Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Blinebry Gas Pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well. The total allowable to be allocated to the pool each month shall be equal to the sum of the supplemental nominations together with any adjustment which the Commission deems advisable. The allocation to a pool remaining after subtracting the capacities of marginal units shall be divided and allocated ratably among the non-marginal units in the proportion that the acreage contained in each unit bears to the total acreage allotted to such non-marginal units.

### BALANCING OF PRODUCTION

RULE 10. Underproduction: The dates 7:00 A.M., January 1 and 7:00 A.M. July 1, shall be known as balancing dates and the periods of time bounded by these dates shall be known as gas proration periods. The amount of current gas allowable remaining unproduced at the end of each proration period shall be carried forward to and may be produced during the next succeeding proration period in addition to the normal gas allowable for such succeeding period; but whatever amount thereof is not made up within the first succeeding proration period shall be cancelled. If, at the end of the first succeeding proration period, a greater amount of allowable remains unproduced than was carried forward as underproduction, the amount carried forward to the second succeeding period shall be the total underproduction less the amount carried forward to the first succeeding period.

If it appears that such continued underproduction has resulted from inability of the well to produce its allowable, it may be classified as a marginal well and its allowable reduced to the well's ability to produce.

RULE 11. Overproduction: A well which has produced a greater amount of gas than was allowed during a given proration period shall have its allowable for the first succeeding proration period reduced by the amount of such overproduction and such overproduction shall be made up within the first succeeding proration period. If, at the end of the first succeeding proration period, the well is still overproduced, it shall be shut in and its current monthly allowable charged against said overproduction until the well is in balance. If, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut in until it is in balance.

The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut in upon a showing at public hearing after due notice that complete shut in of the well would result in material damage to the well.

### GRANTING OF ALLOWABLES

RULE 12. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease.

RULE 13. Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and Form C-110 and the plat described above, whichever date is the later.

### REPORTING OF PRODUCTION

RULE 14. The monthly gas production from each gas well shall be metered separately and the gas production therefrom shall be submitted to the Commission

on Form C-115 so as to reach the Commission on or before the twentieth day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced. The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however that gas used on the lease for consumption in lease houses, treaters, combustion engines and other similar lease equipment shall not be charged against the well's allowable.

#### DEFINITIONS

RULE 15. A gas well shall mean a well producing gas or natural gas from a common source of gas supply from a gas pool determined by the Commission.

RULE 16. The term "gas purchaser" as used in these rules, shall mean any "taker" of gas either at the wellhead or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination.

PROVIDED FURTHER that those wells located within the defined limits of the Blinebry Gas Pool which produce oil and receive an oil allowable on the oil proration schedule shall be prorated as oil wells pending further study and that "preliminary" and "supplemental" nominations, as outlined in Rules 8 and 9 above, shall pertain only to gas wells which are not assigned an oil allowable.

PROVIDED FURTHER that all operators of oil or gas wells shall submit to the Hobbs office of this Commission (Box 2045) on or before January 1, 1954 a copy of either an electric log or sample log of each well (if available), whether oil or gas, that they operate within the defined limits of the Blinebry Gas Pool. Attached to each log shall be a detailed report showing well elevation, total depth, plug back depth, depth of production string, interval of perforations and open hole and estimation of formation tops as indicated by the log. Any operator of any well hereafter completed or recompleted within the defined limits of the Blinebry Gas Pool shall also submit to the Hobbs office of the Commission, the logs and information detailed above, within 30 days following such completion or recompletion.

In the event that the Commission deems it advisable to obtain additional information from wells producing outside the defined limits of the Blinebry Gas Pool the Secretary of the Commission is hereby authorized to issue a directive to operators in order to obtain the desired information.

PROVIDED FURTHER that as soon as possible a testing procedure for all gas wells shall be adopted by the Commission. Said procedure shall contain adequate tests in order to determine the feasibility of employing any well potential, deliverability or pressure factors in allocating gas.

PROVIDED FURTHER that those operators who desire approval of the Commission of gas-oil dual completions under the provisions of Statewide Rule 112-A should also comply with the provisions of Rules 2, 3 and 4 of this order before approval will be granted.

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Case No. 586

Order No. R-372-A

PROVIDED FURTHER that in order to inaugurate gas prorationing and allocation in the Blinebry Gas Pool on January 1, 1954 the Commission shall consider the nominations of purchasers for the proration period beginning January 1, 1954 at the regular hearing of the Commission on November 19, 1953 and shall require each purchaser of gas from the Blinebry Gas Pool to submit with each "supplemental" nomination a list of the wells and their location from which gas is to be purchased commencing January 1, 1954. In this instance the list of wells shall pertain solely to those wells which are gas wells and are not on the proration schedule.

PROVIDED FURTHER that in the event an operator has a producing well on acreage which does not conform to the provisions of Rule 2 or Rule 7 and an exception to Rule 7 is to be requested of this Commission, the necessary information requested under Rule 12 should be complied with pending Commission action. In this instance the Proration Manager is directed to assign to the well only that acreage attributable to the well lying within the quarter section upon which the well is located. In the event the unorthodox unit is approved after notice and hearing and an increase in total acreage is permitted then the total allowable assigned the well shall be adjusted and made retroactive to the 1st day of the proration period or the 1st day the well produced into a gas transportation facility if the well was not productive prior to January 1, 1954.

PROVIDED FURTHER that copies of Form C-115, Monthly Production Report, submitted in compliance with Rule 14 shall be distributed by the operator as follows: Original to Oil Conservation Commission, Box 871, Santa Fe; two copies to Oil Conservation Commission, Box 2045, Hobbs, New Mexico.

IT IS FURTHER ORDERED that nothing in this order, or Order No. R-372, heretofore issued by the Commission, shall be construed as re-classifying any well, now prorated on the oil proration schedule, as a gas well, and any such reclassification hereafter made shall only be made after due notice and hearing.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

S E A L

BRIEF

CASE 992 -- APPLICATION OF AZTEC OIL & GAS COMPANY  
FOR AN ORDER APPROVING A NON-STANDARD GAS PRORATION  
UNIT IN EXCEPTION TO RULE 5(a) OF ORDER R-610 OF  
THE SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY  
GAS POOL, LEA COUNTY, NEW MEXICO

I.

Applicant in the above-styled cause seeks an order establishing a forty (40) acre non-standard gas proration unit consisting of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, said acreage to be assigned and dedicated to Applicant's Dauron Well No. 2-B located 660 feet from the north line and 525 feet from the east line of Section 10.

A. FACTS

1. Applicant's Dauron No. 2 Well was initially completed in the Drinkard oil formation on January 11, 1951 and, pursuant to Commission authorization, was dually completed in the Blinebry gas formation on or about February 26, 1953. Following the dual completion, the gas well was connected to the gathering system of Southern Union Gas Company and is still connected to such system.

2. At the hearing before the Commission, Applicant offered testimony in Case 992 in support of its application for the non-standard gas proration unit substantially as follows:

(a) That the non-standard proration unit consist of a single quarter-quarter section of 40 acres.

(b) That the non-standard proration unit lies wholly within a single governmental section.

(c) That the entire non-standard gas proration unit may be reasonably assumed to be productive of gas from the Blinebry gas pool.

(d) That the length or width of the non-standard gas proration unit will not exceed 2640 feet.

(e) That Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, Standard Oil Company of Texas, and Shell Oil Company, believed by Applicant to be the only offset operators to the

non-standard unit, were notified by registered mail of Applicant's intent to form such unit.

(f) That the application was filed only after Applicant had learned that Continental Oil Company intended to terminate the agreement reached between representatives of Applicant and Continental on February 19, 1954, providing for the pooling of operating rights and/or oil and gas leases to form a standard gas proration unit consisting of the NE $\frac{1}{4}$  of Section 10.

B. CONCLUSION

Applicant felt that it was its duty and obligation to promptly file an application with the Commission for a 40-acre non-standard proration unit for its Dauron No. 2-B well to be effective as of the first day of the calendar month following receipt of definitive information that the pooling agreement was considered terminated by Continental. Applicant's testimony in Case 992 satisfied and reflected full compliance with all necessary requirements of Order R-610 to permit establishment of the non-standard proration unit. Unless such unit is approved by the Commission in accordance with Applicant's request, Applicant will be deprived of the opportunity to recover its just and equitable share of the gas from the reservoir.

II.

At the conclusion of Applicant's testimony in Case 992, Continental Oil Company's attorney, through cross examination of Applicant's witness, Mr. Prentice R. Watts, Jr., proceeded to include as a part of the record of Case 992 certain testimony concerning formation of the standard gas proration unit consisting of the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, for Applicant's Dauron Well No. 2-B effective as of January 1, 1954, and the agreement reached between Applicant and Continental Oil Company providing for the pooling of their respective operating rights and/or oil and gas leases to form such unit. Applicant objected to the introduction of all testimony concerning the matters raised by Continental on the grounds that such matters were not within the scope of Applicant's application or the notice of hearing for Case 992. Applicant suggested that if the Commission desired to hear testimony on the matters raised by Continental it should

do so at a special hearing called either on application of Continental or on the Commission's own motion. Applicant's objection was overruled by the Commission. Applicant feels that the ruling of the Commission was in error and desires at this time to renew its objection on the grounds above stated.

A. FACTS

1. The Commission's action in overruling Applicant's objection to include in Case 992 matters relating to the agreement with Continental Oil Company by which the standard proration unit ( $NE\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East) was formed necessitated a review of all facts relating to the formation of the unit, such facts being as follows:

(a) On November 12, 1953, Applicant filed its application with the Commission for an order establishing the  $NE\frac{1}{4}NE\frac{1}{4}$  of Section 10 as a non-standard gas proration unit for Applicant's Dauron Well No. 2-B. A copy of the application was mailed to Continental Oil Company on November 13, 1953, at which time Continental was asked to consider the pooling of the oil and gas leases in the  $NE\frac{1}{4}$  of Section 10 to form a standard gas proration unit. Applicant received a letter from Mr. Hugh Johnston, of Continental Oil Company, on November 19, 1953, indicating Continental's interest in pooling the  $NE\frac{1}{4}$  of Section 10 to form a standard proration unit for Applicant's Blinebry gas well. Upon receipt of this information from Continental, Applicant requested the Commission, on December 17, 1953, to dismiss its application for the non-standard 40-acre unit.

(b) On January 11, 1954, Mr. Thompson submitted to Mr. Hugh Johnston information concerning cost of the dual completion of Applicant's Dauron No. 2-B Well and an estimate of production from the well during the next 10-year period.

(c) On February 19, 1954, a meeting was held in Continental's offices at Fort Worth, Texas, for the purpose of discussing and arranging for the pooling of the  $NE\frac{1}{4}$  of Section 10. Messrs. Van Thompson and Quilman B. Davis visited briefly with Mr. Hugh Johnston, and at Mr. Johnston's request representatives of Applicant and Continental Oil Company retired to a conference room to discuss and agree upon the pooling arrangements. Present at this meeting were Van Thompson and Quilman B. Davis, representing Aztec Oil & Gas Company, and S. V. McCollum, Assistant Regional Manager of Production, E. M. Robison, Homer Daley, and one other person whose name is unknown, representing Continental Oil Company. At this meeting it was first suggested by Mr. Thompson that Aztec would agree to the pooling of the  $NE\frac{1}{4}$  of Section 10, insofar as it covered the Blinebry gas production, the sale to Continental et al of a  $3/4$ ths interest in Aztec's Dauron No. 2-B Well on the basis of its actual cost of \$43,000.00

of dually completing the well, and Continental et al would be entitled to receive immediately 3/4ths of the gas production from the well. Representatives of Continental, particularly Mr. McCollum, objected to this basis on the grounds that Aztec's costs were excessive and that Continental had been able to dual wells for \$15,000 or less. Mr. Thompson explained that he did not doubt the figures quoted by Continental, but that Aztec had encountered some difficulty in its dual completion work and that the \$43,000.00 figure was Aztec's actual cost.

After Mr. Thompson's first proposal had been rejected by Continental's representatives, he then suggested two pooling agreements for the NE $\frac{1}{4}$  of Section 10, one to cover the Blinebry gas production and the other to cover the Tubb gas production. It was suggested that Continental select one of its existing oil wells located in the W $\frac{1}{2}$ NE $\frac{1}{4}$  or the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, and dual complete such well in the Tubb formation, since the NE $\frac{1}{4}$  at that time was not dedicated to a Tubb formation gas well. After some discussion Continental representatives selected its No. 1-E Well located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10 for dual completion in the Tubb formation. It was then agreed that the exchange of interest in the respective wells by the respective lease owners would be computed on the basis of the actual cost and expense incurred by Continental in dual completing and equipping, except for casing and tubing, its No. 1-E Well for the production of natural gas from the Tubb formation.

Inasmuch as Aztec's well was on production at that time and the possibility of some delay in dual completing the Continental well, it was agreed that the entire production from the Dauron No. 2-B gas well would belong to Aztec and that Continental would not participate in such production and sales until such time as Continental completed its No. 1-E Well in the Tubb formation and commenced production and delivery of such gas into a gas transportation system.

At the conclusion of the meeting it was agreed that the pooling agreements and related operating agreements would be prepared by Mr. Quilman B. Davis as soon as possible and submitted to Continental for its signature and signatures of the other owners of the federal unit.

(d) On March 9, 1954, Mr. Quilman Davis mailed to Mr. E. M. Robison at Fort Worth, Texas, a letter setting out the terms and conditions of the agreement reached between the parties, as outlined above, together with pooling and operating agreements providing for the pooling of the Blinebry and Tubb formations, respectively.

(e) Nothing was heard from Continental on this matter for several weeks and a follow-up telephone call to Mr. Robison revealed that the agreements had been forwarded to Continental's Houston office. On April 29, 1954, a follow-up letter on the matter was sent to Mr. Robison. Aztec's files do not contain a reply to this letter; however, in subsequent telephone conversations with Mr. Robison it was determined that Continental's Houston office had only one small objection to the agreements which concerned the ownership of casing in the wells since the casing in each extended to the Drinkard formation. It was agreed that Continental's Houston office would prepare a short agreement to



cover the situation; however, Aztec never received any further communication concerning the matter.

(f) After a telephone conversation between Messrs. Robison and Davis concerning the loss of allowable for the Dauron 2-B Well during the first half of 1954 unless action was taken by the companies prior to July 1, 1954, Aztec sent its letter dated June 18, 1954 to the Commission advising it that Aztec Oil & Gas Company, Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas had agreed to the communitization and pooling of their respective oil and gas leasehold interests in the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico, for the purpose of forming an orthodox gas proration unit of 160 acres for the Aztec Dauron 2-B Blinebry gas well. Carbon copies of the letter were mailed to the above named companies. Subsequently, on June 24, 1954, in accordance with the understanding between Messrs. Robison and Davis, Mr. S. V. McCollum sent a letter to the Commission on behalf of Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas stating that the parties had agreed to communitize and pool their respective oil and gas interests in the NE $\frac{1}{4}$  of Section 10 for the purpose of forming an orthodox gas proration unit of 160 acres for the Aztec Dauron 2-B Well. Both of these letters requested that the Commission assign a full 160-acre unit gas allowable to the well effective as of January 1, 1954. Aztec understood at that time that the formal pooling and operating agreements covering the Blinebry and Tubb gas formations, respectively, were being circulated for signatures of the above named companies, and so indicated in its letter of June 18, 1954 to the Commission. Although copies of the June 18, 1954 letter went to each of the above named parties containing such statement, Aztec was not advised that its statement was in error.

(g) Aztec received a letter dated September 12, 1955 from Mr. R. L. Adams, Division Superintendent of Production, New Mexico Division, Roswell, New Mexico, inquiring about the communitization and pooling of the Tubb and Blinebry production in the NE $\frac{1}{4}$  of Section 10. Although Continental had copies of all of the agreements involved, Aztec forwarded to Mr. Adams a copy of each agreement for his information.

(h) At the request of Mr. E. M. Robison, Messrs. Van Thompson and Quilman B. Davis met with Messrs. R. L. Adams and E. M. Robison in Aztec's offices on September 29, 1955. This conference was the first indication or knowledge that had been conveyed to Aztec that Continental Oil Company had decided to terminate the pooling agreement which had been reached between representatives of the two companies on February 19, 1954. At this meeting Mr. Adams suggested that Continental and the other members of the federal unit might be agreeable to pooling of the NE $\frac{1}{4}$  of Section 10 Blinebry gas production by acquiring an interest in the well on the basis of Aztec's cost of dual completion (\$43,000) if they received 3/4ths of the proceeds from the production from January 1, 1954. This proposal was identical to the proposition submitted by Mr. Thompson and rejected by representatives of Continental at the meeting on February 19, 1954. The offer was rejected by Aztec because it had acted and relied upon the agreement made on February 19, 1954 and did not feel that the matter should be renegotiated after the lapse of nineteen months.

(i) Aztec agreed to a second meeting with representatives of Continental, consisting of Messrs. E. M. Robison, R. L. Adams, and S. V. McCollum, in October, 1955. After discussing the matter at length, it was obvious that Continental intended to terminate the agreement of February 19, 1954, and had no offers to continue the pooling arrangements other than the one submitted by Mr. Adams at the September 29, 1955 meeting.

(j) As a result of the meeting in October, Mr. Quilman B. Davis called Mr. Robison in Fort Worth on November 2 or 3, 1955 to advise Continental of Aztec's decision to request a 40-acre non-standard unit with a like reduction in allowable effective as of the 1st of November, 1955.

(k) At the request of Mr. Hugh Johnston, Messrs. Van Thompson and Quilman B. Davis met with Messrs. Johnston and Harry Dipple in Continental's offices at Fort Worth on November 22, 1955. After a brief conference it was determined that there had been no change in the thinking of Continental on the matter other than as outlined above, and the meeting was adjourned.

(l) Again, on November 28, 1955, Aztec's representatives, Messrs. Quilman B. Davis and Prentice R. Watts, met with Continental's representatives, Messrs. Harry Dipple and Jason W. Kellahin. At this meeting Mr. Bill Kitts, attorney for the Commission, was present and Mr. Bill Macey was present part of the time. Approximately two hours of discussion resulted in no action.

#### B. CONCLUSION

The foregoing facts concerning the meeting and agreement of pooling reached with representatives of Continental on February 19, 1954, the pooling and operating agreements prepared by Aztec and mailed on March 9, 1954 to Continental, and the June 24, 1954 letter of Continental directed to the Commission requesting a 160-acre allowable, clearly evidences an agreement of pooling of the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East. Moreover Continental filed an application on March 4, 1954 with the Commission seeking an order to dually complete in the Drinkard oil pool and the Tubb gas pool its Hawk B-10 No. 1 Well located 660 feet from the north line and 1980 feet from the east line (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section 10, Township 21 South, Range 37 East. The entire NE $\frac{1}{4}$  of Section 10 was colored on the plat attached to Continental's application indicating the dedication of the entire 160 acres to the Tubb gas well. The Commission, by its Order DC-86 issued March 19, 1954, approved the application of Continental Oil Company. Aztec Oil & Gas Company does not have any information or knowledge as to whether or not such well

was dually completed pursuant to the Commission's authorization. Although it was agreed at the February 19, 1954 meeting that Continental Oil Company's No. 1-E Well, also located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, would be dually completed in the Tubb gas formation, Aztec has no objection to the substitution of the Hawk B-10 No. 1 Well. It should also be noted that Continental's application for dual completion of its well in the Tubb formation was filed five days after the meeting at which the pooling of the NE $\frac{1}{4}$  of Section 10 for Blinebry and Tubb formations was agreed upon.

Continental Oil Company held the formal pooling agreements approximately nineteen months without objecting to any of the provisions thereof except the question of ownership of the well casing which could have been resolved without any difficulty insofar as Aztec was concerned.

The Commission's attention is also called to the fact that Continental did not offer a single witness to contradict the testimony of Mr. Thompson relative to the meeting and agreements reached with representatives of Continental Oil Company on February 19, 1954.

The Commission had unquestionable authority, based upon Continental's letter dated June 24, 1954 and Aztec's letter dated June 18, 1954, to approve and grant a full 160-acre unit allowable to the Aztec Dauron No. 2-B gas well effective as of January 1, 1954 and to continue such allowable until notified that the pooling agreement had been terminated. It is unfortunate that the Commission's authority to grant an allowable under these circumstances has been questioned, because since the inception of gas proration in southeastern New Mexico on January 1, 1954 there have been many instances of similar agreements between other companies, pursuant to which the Commission has granted a full gas allowable to the dedicated acreage without question, pending completion of the formal pooling agreements. In some instances the formal pooling agreements and related operating agreements have not been completed for a year or more after the Commission's action

granting an allowable to the dedicated acreage on representation of the parties that pooling of the leases has been agreed upon. If the Commission should change its present policy of granting an allowable based on informal agreements and representation of the parties in interest and require formal executed documents of pooling before granting and assigning an allowable to a well on the basis of the dedicated acreage, a great loss to the oil and gas companies participating in such pooling arrangements will result.

Aztec agreed with Continental on February 19, 1954 on a basis for pooling of the Blinebry and Tubb gas zones underlying the NE $\frac{1}{4}$  of Section 10. On June 24, 1954 Continental, for itself and its associates, advised the Commission in writing that the parties had agreed to the pooling for the purpose of obtaining an allowable for gas from the Blinebry formation, effective January 1, 1954. The Commission, as it has done in numerous cases, relied upon the written authority and approved the unit and granted an allowable to it. This allowable was made a part of the allowable orders from that time and Continental did not, at any time, object to the allowable order. The Commission, it seems to us, cannot find that the additional allowable resulted in waste inasmuch as the gas was marketed, nor can it find, if it has the power to make an independent determination, that the correlative rights of either of the parties have been abused inasmuch as Continental and Aztec both requested the unit. The whole question seems to us to be one of the disposition of the 160-acre allowable rather than its legality, and the disposition of the gas is a matter of contract between the parties. If Continental has been entitled to a portion of this allowable during the months when it was produced, then they have an adequate remedy by a suit for an accounting in a proper Court. The correlative rights of Aztec, and it seems to us, of Continental and its parties, would most certainly not be protected by shutting this well in for a 5 or 6 year period and permitting the drainage of the Blinebry gas from this 160-acre unit by offset wells.

We believe the Commission should sustain the validity of its allowable orders on this unit, grant the application with adjustments for overproduction as of November 1, 1955, and leave the parties to settle their disputes as to their contractual arrangements, either by private negotiation or in the Courts.

Respectfully submitted,  
AZTEC OIL & GAS COMPANY

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February 13, 1956

CASE NO. 992  
BEFORE  
OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

MEMORANDUM BRIEF  
OF  
CONTINENTAL OIL COMPANY

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF: )  
APPLICATION OF AZTEC OIL & GAS )  
COMPANY FOR A NON-STANDARD )  
PRORATION UNIT CONSISTING OF )  
NE/4 NE/4 OF SECTION 10, TOWN- ) CASE NO. 992  
SHIP 21 SOUTH, RANGE 37 EAST, )  
N.M.P.M., LEA COUNTY, NEW MEXICO, )  
FOR GAS PRODUCTION FROM THE )  
BLINEBRY FORMATION )

MEMORANDUM BRIEF OF CONTINENTAL OIL COMPANY

Pursuant to the request contained in letter dated January 24, 1956 from Mr. W.B. Macey, Secretary-Director of the New Mexico Oil Conservation Commission, Continental Oil Company respectfully submits this its memorandum brief in support of its contention that all production by Aztec Oil & Gas Company from its subject well from January 1, 1954 to date, in excess of an allowable based on a 40-acre non-standard unit is illegal and must be balanced on the basis of a 40-acre non-standard proration unit.

STATEMENT OF THE CASE

This case deals with the application of Aztec Oil & Gas Company of date November 4, 1955 for a non-standard gas proration unit for its Dauron No. 2 well located in the

NE/4 NE/4, Section 10, Township 21 South, Range 27 East, N.M.P.M., Lea County, New Mexico. This well has been variously denominated in reports by Aztec to the Commission as its Dauron Well No. 2-A, No. 2-B, and No. 2-C, but the testimony reflected the fact that only one well producing from the Blinebry zone is located on this quarter section.

According to the record, Aztec Oil & Gas Company is the owner of an oil and gas lease covering the 40 acres of fee lands comprising the NE/4 NE/4 of said Section 10. Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas, as members of the New Mexico Federal Unit, are the owners of an oil and gas lease from the United States of America covering the balance of the land, consisting of 120 acres in the Northeast 1/4 of this section, with Continental Oil Company as "Operator."

At the inception of gas prorationing in Southeastern New Mexico, Aztec approached Continental with a view to communitizing the Northeast 1/4 of said Section 10, and Continental indicated its willingness to communitize on a customary and reasonable basis, but the details of an agreement covering such communitization were never worked out. By letter dated June 18, 1954 Aztec informed the Commission that such communitization had been agreed upon and requested "that a full 160-acre unit gas allowable be set up for the



Aztec Dauron No. 2-C well retroactively to January 1, 1954 in accordance with, and pursuant to, Order No. R-372-A."

(Emphasis supplied) At Aztec's urgent request, Continental addressed a letter to the Commission under date of June 24, 1954 in which Continental referred to the aforesaid Aztec letter of June 18, 1954, and stated as follows:

"Since we anticipate that there will be some delay in completing the execution of the communitization agreement and related papers, it is requested on behalf of Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas that a full 160-acre gas allowable be set up for the said Aztec Dauron No. 2-C well, retroactive to January 1, 1954, in accordance with and pursuant to Order No. R-372-A." (Emphasis supplied)

Following the requests contained in these two letters the Commission's gas proration schedules carried the subject well as having an allowable based on a 160-acre unit, retroactive to January 1, 1954. Since that time this well has appeared on the Commission's proration schedules with an assigned allowable based upon 160 acres, although an allowable based on 40 acres had been assigned to it during the first six months of 1954. No agreement was ever arrived at by and between the parties in connection with the proposed communitization and no contract was ever entered into evidencing such communitization.

After several additional and final attempts to

reach an agreement with Aztec resulted in failure because of Aztec's continued refusal to agree that the communitization of the New Mexico Federal Unit's 120 acres in the Northeast 1/4 of Section 10 with Aztec's 40 acres in said quarter section should be retroactive to January 1, 1954, Continental Oil Company advised the Commission, by letter dated November 4, 1955 that "it appears that no communitization will be effected" and that it was therefore then apparent that no reasonable basis existed for a 160-acre allowable "and that said well is now in the position of having overproduced, because there never has, in fact, been more than 40 acres committed to it. It is, therefore, respectfully requested that said well be given an allowable based on 40 acres and that the same be made retroactive to January 1, 1954," the effective date of Order No. R-372-A, which order instituted gas prorationing in the Blinebry Pool. Thereafter, Aztec Oil & Gas Company filed its application, bearing date of November 4, 1955, for approval of a non-standard 40-acre gas proration unit "effective November 1, 1955." Said application contained nine numbered paragraphs or statements purporting to be "in support of this application," including the following:

"7. Applicant has been unsuccessful in its efforts to pool the lands covered by this application with adjoining lands to form a standard gas proration unit as provided by Order R-610, as amended." (Emphasis supplied.)

Order No. R-610 was entered by the Commission under date of April 11, 1955 and superseded Order No. R-372-A entered by the Commission under date of November 10, 1953. Order No. R-372-A was in effect on June 18, 1954 and June 24, 1954, the respective dates of the letters from Aztec and Continental to the Commission requesting the granting of a full 160-acre unit gas allowable for this well "retroactive to January 1, 1954, in accordance with and pursuant to Order R-372-A." Rule 12 of the Special Rules and Regulations for the Blinebry Gas Pool, Lea County, New Mexico, contained in said Order No. R-372-A, provided as follows:

"RULE 12. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease."

The identical language of said Rule 12 is contained in Order No. R-610 as RULE 15 of the Special Rules and Regulations for the Blinebry Gas Pool in said Order No. R-610. Thus, the requirements of said rule were, and are, in effect at all times material hereto.

Aztec's said application was followed up with a letter addressed to the Commission under date of November 7, 1955, on page 2 of which said letter the following statements are made, to-wit:

"We have had two meetings, September 29 and October 17, with representatives of Continental and it now appears that we will be unable to consummate the communitization and pooling of the NE $\frac{1}{4}$  of Section 10 referred to in my letter of June 18, 1954 to the Commission. (Emphasis supplied.)

"It is, therefore, requested that in view of the foregoing the gas allowable for the Aztec-Dauron No. 2-B Well be reduced to a 40-acre unit allowable effective as of November 1, 1955."

The Commission's well file covering the subject well was offered in evidence and reflects the fact that the only Forms C-104 and C-110 together with a plat showing acreage attributed to said well and the locations of all wells on the lease ever filed by or on behalf of Aztec Oil & Gas Company were filed under date of September 26, 1953, and show no acreage attributed to said well other than the 40 acres consisting of the NE $\frac{1}{4}$  NE $\frac{1}{4}$  of said Section 10. This well file, therefore, shows that Aztec did not file amended Forms C-104 and C-110 together with a plat showing the 160 acres comprising all of the NE $\frac{1}{4}$  of said Section 10 attributed to said well, and which amended forms and plat were required to be filed by Aztec by the very language of the letter from Aztec to the Commission under date of June 18, 1954, and the language of the letter from Continental Oil Company to the Commission under date of June 24, 1954, requesting a 160-acre allowable "retroactive to January 1, 1954, in

accordance with and pursuant to Order R-372-A," which said order, of course, included the above-quoted Rule 12.

Mr. Van Thompson, Vice President of Aztec Oil & Gas Company, testified at the subject hearing that the proceeds of the royalty portion of the total quantity of gas produced by Aztec from the subject well from January 1, 1954 to date, on the basis of a 160-acre allowable, has been paid by Aztec currently as it accrued to the royalty owner under Aztec's lease covering only the 40 acres comprising the NE/4 NE/4 of said Section 10. This witness further expressly testified that no part of the proceeds covering the working interest production from this well was ever paid to, or tendered to, Continental Oil Company or either of the other three companies owning an interest in the 120 acres of New Mexico Federal Unit acreage in the Northeast 1/4 of Section 10; that no part of the proceeds of the royalty production was ever tendered to the United States of America; and that no part of either the working interest production or the royalty production was held in reserve or suspense by Aztec pending a settlement of the pending matter of communitization of said Northeast 1/4 of said Section 10. The testimony of this witness further shows that Aztec continued to wrongfully appropriate unto itself all of the proceeds of the 160-acre unit allowable production attributable to the working interest, and continued to pay to

the royalty owner under its little 40-acre tract the proceeds of all such 160-acre allowable production attributable to the royalty interests under the entire 160 acres long after it admittedly knew that Continental would never agree to this communitization unless the same be made effective retroactively to January 1, 1954.

#### JURISDICTION AND AUTHORITY OF THE COMMISSION

While we have no doubt that the Commission is familiar with the provisions of Article 3 of Chapter 65 of the New Mexico Statutes of 1953, in which the jurisdiction and authority of the Commission to regulate and prorate the production of gas and fix allowables for gas wells located within the State of New Mexico is defined, we should like to call the Commission's particular attention to certain sections of said Article 3. Most, if not all, of these statutory provisions were referred to in the statements or arguments made by counsel at the conclusion of the hearing of this case before the Commission on January 19, 1956.

The statutory provisions which we believe to have particular significance in this case are found in the following sections:

Section 65-3-5 - which sets out the general jurisdiction and authority of the Commission;

Section 65-3-10 - which has particular reference to the prevention of waste and protection of correlative rights,

and for the convenience and ready reference of the Commission is quoted in full, with emphasis supplied at certain points:

"65-3-10. POWER OF COMMISSION TO PREVENT WASTE AND PROTECT CORRELATIVE RIGHTS.--The commission is hereby empowered, and it is its duty, to prevent the waste prohibited by this act and to protect correlative rights, as in this act provided. To that end, the commission is empowered to make and enforce rules, regulations and orders, and to do whatever may be reasonably necessary to carry out the purposes of this act, whether or not indicated or specified in any section hereof."

Section 65-3-11 - which expressly enumerates certain things which the Commission is given authority to do and perform, including the authority "to make rules, regulations and orders \* \* \*

(7) To require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties";

Section 65-3-13 - requiring that the "total allowable natural gas production from gas wells producing from any pool in this State" shall be by the Commission allocated "among the gas wells in the pool \* \* \* upon a reasonable basis and recognizing correlative rights." (Emphasis supplied);

Section 65-3-14 - requiring equitable allocation of allowable production on a basis which allows each owner, insofar as practicable, to recover his just and equitable share of the gas in the pool, and requiring that production

from a tract smaller than a full unit "shall be in ratio of the area of such tract to the area of a full unit," and further requiring that production shall in all cases be in accordance with the applicable rules and regulations of the Commission; and,

Section 65-3-29 - in which correlative rights are defined as follows:

"(h) 'Correlative rights' means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

#### ARGUMENT

This case reflects problems peculiar to the institution of gas prorationing in Southeastern New Mexico and is a result of the difficulties and confusion which existed at that time due to the fact that gas prorationing was being instituted in old developed pools or fields.

Should the Commission grant the application of Aztec Oil & Gas Company in this case without providing in its order granting the same that Aztec shall bring the total of its gas production from the subject well in balance with an allowable based upon a 40-acre unit attributable to said



well, the Commission would, contrary to, and in direct violation of, its statutory duty to prevent the same, permit Aztec to produce many times more than its equitable share of the gas from the Blinebry Pool.

The evidence in this case shows beyond any possible doubt that the 120 acres of New Mexico Federal Unit acreage in the Northeast 1/4 of Section 10 was never communitized or pooled with the little 40-acre tract held by Aztec in said Northeast 1/4 for the formation of a standard 160-acre unit.

There are two methods recognized by the applicable statutes of the State of New Mexico for the pooling or communitization of acreage. These methods are (1) voluntary agreement, and (2) forced pooling required by the Oil Conservation Commission of the State. No contention has been made by any party that a 160-acre standard unit is involved in this case as a result of forced pooling required by the Commission.

Furthermore, there is not a particle of evidence in the record of this case showing the formation of a standard 160-acre unit by voluntary agreement. On the contrary, the evidence conclusively shows that no 160-acre standard unit with its acreage attributed to this well was ever formed.

As pointed out above under "Statement of the Case" numbered paragraph 7 of the very application filed by Aztec

In this case, bearing the Commission's Docket No. 992, states upon the oath of the applicant's General Attorney that a voluntary agreement to pool was never consummated. As stated in the argument made by counsel of Continental Oil Company at the conclusion of the hearing in this case on January 19, 1956, an agreement to pool on the basis contended for by Aztec could not possibly have been entered into by Aztec and Continental, because Continental could not possibly have donated to Aztec the interests of Stanolind, Atlantic and Standard of Texas in and to the working interest share of the production, nor could Continental have donated to Aztec the royalty share of the United States of America in such production. There is not a particle of evidence in the record of this case indicating that Stanolind, Atlantic, Standard of Texas, and the United States of America ever agreed to communitize on any basis.

While the record in this case clearly shows that a standard unit was never formed by agreement of the parties, that no such standard unit ever existed, and that none exists at the present time, we wish to respectfully direct the Commission's attention to the following facts which are a part of the record in this case, to-wit:

1. The sworn application of Aztec assigns as one of the reasons for the application the fact that the applicant was unsuccessful in its efforts to pool acreage for the formation of a standard unit. It should further be noted that

this application does not ask for any change from a standard unit to a non-standard unit, nor does it ask for the termination of an heretofore recognized standard unit, but rather said application proceeds under the provisions of Order No. R-610 in asking for approval of a non-standard unit on the necessary contention that the 40 acres is all that applicant has to attribute to the subject well and that applicant has been unable to pool his 40 acres with any other acreage to form a standard unit.

2. No form or plat required by the rules of the Commission, particularly Rule 12 of Order No. R-372-A, or Rule 15 of Order No. R-610, which superseded Order No. R-372-A, was ever filed with the Commission by Aztec showing more than 40 acres attributed to the subject well, or showing any acreage attributed to said well other than Aztec's 40 acres.

3. Aztec never offered to Continental nor any other owner of an interest in the 120 acres of New Mexico Federal Unit acreage any portion of the proceeds from production, nor did Aztec make any report covering such proceeds to any of the four owners of said 120 acres of "Federal Unit" acreage, nor were such proceeds held in reserve or suspense by Aztec until the pooling or communitization could be consummated, but, on the contrary, Aztec wrongfully appropriated to its own use the proceeds of all such production attributable to the working interest.

4. The entire proceeds of that portion of the full production from this well attributable to the royalty interest was paid by Aztec to the owner of the royalty under its little 40-acre tract, thereby clearly showing that Aztec considered the full production from this well as coming from Aztec's 40-acre tract, rather than as coming from a 160-acre unit.

5. The only forms and plat required by the rules of the Commission ever filed by Aztec to show the acreage attributed to this well were the Forms C-104 and C-110 and plat filed by Aztec under date of September 26, 1953, and said forms and plat attribute no acreage to the subject well other than Aztec's 40 acres.

6. All of the testimony offered by Aztec regarding negotiations between Aztec and Continental point up and prove the fact that there never was any agreement covering the pooling of the respective tracts and that Aztec knew no such agreement had ever been reached.

Despite these facts, and despite the fact that it was and is the operator of the subject well, Aztec allowed the well to remain on the proration schedule with a 160-acre standard unit allowable and, as shown by Continental's Exhibit No. 6, produced not only a 160-acre allowable but month after month produced substantially in excess of that allowable and continued so to produce said well even in months when by the very provisions of some of the allowable

orders the well was ordered shut-in because of over-production.

It has been contended by Aztec that the subject well was entitled to a 160-acre allowable because such allowable was shown on the Commission's allowable schedules pursuant to the letters of June 18, 1954 and June 24, 1954 from Aztec and Continental, respectively, to the Commission. The Commission's attention is again directed to the fact that each of said letters concludes with the request that such allowable be set up "in accordance with and pursuant to Order No. R-372-A."

The record in this case shows that at the time these two letters were received by the Commission there were on file with the Commission Forms C-104 and C-110 together with a plat showing attributed to the subject well only 40 acres and showing that 40 acres to be the identical 40-acre tract for which Aztec now seeks approval as a non-standard gas proration unit. The record also shows that no Forms C-104 and C-110 together with a plat showing 160 acres attributed to this well had ever been filed at any time up to the date of hearing. There was, therefore, no compliance with the provisions of Order No. R-372-A nor with the provisions of Order No. R-610, which superseded Order No. R-372-A. The Commission's attention is again respectfully directed to the fact that Rule 12 of Order No. R-372-A, which was superseded by Rule 15 of Order No. R-610, provides that "no gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing

acreage attributed to said well and the locations of wells on the lease." (Emphasis supplied.) It seems clear that the only purpose the above-quoted rule could possibly serve is to place on record in the files of the Commission documents or instruments showing the location of gas wells and showing the acreage attributed to such wells for gas proration purposes.

It should be borne in mind that with the adoption of Order No. R-372-A the Commission was instituting the proration of gas in an old developed pool at a time when there were numerous non-standard units already in production. Rule 7(b) of said order made appropriate provisions for this existing situation. The above-quoted Rule 12 of said order, on the other hand, is the provision, and is the only provision in the order affording the Commission a means of determining exactly what acreage is attributed to a well for which no application was filed under the provisions of Rule 7(b). Order No. R-372-A was an order designed to implement the prorationing of gas and served no other purpose. When considered in this light the requirement of said Rule 12 that the proper forms be filed "together with a plat showing acreage attributed to said well" and the provision of said rule to the effect that "no gas well shall be given an allowable until" this is done, make it obvious that the only possible meaning of this rule is that until the attributed

acreage is shown in the manner required by the rule no allowable shall be granted and certainly no allowable should be granted for any acreage not so attributed.

Not only was there no compliance with the provisions of said Rule 12, but by reason of such lack of compliance with said rule there was no compliance with the provisions of Section 65-3-14 of the statutes requiring allocation of allowables to a non-standard unit on an acreage basis and production in conformity to the orders, rules and regulations of the Commission, and Continental's approval of and request for a 160-acre allowable for the subject well, contained in Continental's aforesaid letter of June 24, 1954, was clearly conditioned upon such compliance.

The allowables granted the subject well in the various proration orders in evidence before the Commission in this case were granted on the erroneous assumption that 160 acres had been legally attributed to said well. However, there never having been any pooling agreement and no compliance with applicable statutes, orders, rules or regulations, to validate an allowable based on 160 acres, there in fact never was more than a 40-acre unit available to Aztec for allowable purposes. This being true, all production from the subject well based on anything in excess of 40 acres was and is illegal production and must be made up if the provisions of the statutes of the State of New Mexico

and the orders, rules and regulations of the Commission are to be complied with.

While Continental Oil Company has at all material times been, and still is, willing to communitize or pool and to seek the prompt execution of an appropriate instrument pooling the New Mexico Federal Unit 120 acres with Aztec's 40 acres in the Northeast 1/4 of Section 10 upon such terms as are equitable to all parties and as are usual and customary, provided such communitization or pooling is made to be effective retroactively to January 1, 1954, Continental does not protest approval of a non-standard 40-acre unit, provided such non-standard unit be made effective retroactively to January 1, 1954, and provided, further, that allowable production be adjusted accordingly, and that Aztec be required to shut-in the subject well until production therefrom is in balance with allowable for a 40-acre unit.

For the Commission to approve a non-standard 40-acre unit without making the same effective January 1, 1954, and without requiring that production be brought in balance as above indicated would be to allow Aztec to wrongfully retain all of the proceeds from gas produced and attributed to 120 acres in which Aztec at no time owned any interest, and which proceeds its own testimony shows it never attempted or offered to account for, either to the working interest owners or to the royalty owner. Such an order by this Commission would set a precedent that would open the door to



possible fraud and would in fact invite fraud.

The order sought by Aztec would allow and place the Commission's stamp of approval on drainage not compensated by counter-drainage, contrary to the provisions of Section 65-3-13 of the New Mexico Statutes.

The authority of the Commission to approve a non-standard 40-acre unit, to be effective retroactively to January 1, 1954, and provide in the order of approval that allowable production be adjusted accordingly, and further provide in such order that the well shall be shut-in until production is in balance for a 40-acre unit, is covered in numerous sections of the statutes of the State of New Mexico. These statutory provisions repeatedly state in mandatory language that the Commission has the duty to protect correlative rights and these statutory provisions further direct that the orders of the Commission shall be designed to allow each owner in a pool to recover his just and equitable share of the oil and/or gas in the pool, and for that purpose to use his fair share of the reservoir energy. Approval of Aztec's non-standard 40-acre unit, effective November 1, 1955, would be tantamount to a complete denial and repudiation of these fundamental principles so clearly set out in the statutes.

### CONCLUSION

In conclusion, we should like first to reiterate what was said in our closing statement at the hearing regarding the action of the Commission in showing the subject well on the allowable schedules as having 160 acres attributed to it. We are well aware of the problems and confusion confronting the Commission at that time in connection with the institution of gas prorationing in Southeastern New Mexico, and we desire to have the record reflect clearly the fact that Continental Oil Company is in nowise implying any criticism of the Commission for any action taken by the Commission. We are well aware of the fact that the Commission's action was taken in a fair and honest attempt to assist all parties in accomplishing what was thought to be fair and right under the circumstances as they then existed. It goes without saying that Continental Oil Company's actions have at all times been based upon those same proper motives. We are, nevertheless, fully aware of our share of responsibility for the situation that has resulted in this case.

While, as stated, the Commission's actions with regard to the gas allowable for the subject well to date are not properly subject to criticism, the fact remains that such actions have, nevertheless, resulted in the production of vast quantities of gas which has been illegally produced. This is so because the 160-acre allowable carried on the

schedules for this well was never properly supported by the filing of proper forms and plats showing the specific 160-acre unit attributed to said well. Furthermore, the purpose for which said 160-acre allowable was established was never accomplished because the pooling was never actually consummated.

As a result of the illegal production of this vast quantity of gas from this well the Commission is now faced with the necessity of seeking a fair and just solution to the problem confronting it, and which solution must conform with the applicable provisions of the New Mexico statutes and the rules and regulations of the Commission pursuant thereto. We have been unable to find a case in which the courts of the State of New Mexico have spoken concerning a situation similar to that found in the instant case. We must, therefore, necessarily look to the provisions of the statutes and to the rules and regulations of the Commission.

We submit that the record in this case clearly shows that there was never more than 40 acres dedicated to the subject well; that there was never any compliance by Aztec with the orders of the Commission in regard to allowables assigned this well, except to the extent that the filing of Form C-104 and Form C-110 together with a plat showing Aztec's 40 acres as the only acreage attributed to said well, which forms and plat were filed on September 26,

1953, may constitute such compliance; that all gas produced in excess of a 40-acre allowable was illegally produced; that while Continental must to some extent share with Aztec the responsibility for the position in which the Commission now finds itself, it is crystal clear from the evidence and from the testimony of Aztec's own witnesses that the only interested party receiving any benefit from continued silence was and is Aztec Oil & Gas Company, who, as operator of the well and as such beneficiary, was under a much greater duty than Continental to speak, and speak promptly, to the Commission for the purpose of having the situation corrected and the illegal production of gas discontinued; that approval of Aztec's subject application effective November 1, 1955 will result in, and put the Commission's stamp of approval on, the confiscation of gas belonging to other parties; that the only manner in which the Commission can protect the correlative rights of all parties and prevent such confiscation is to approve a 40-acre non-standard unit and make such approval effective retroactively to January 1, 1954, and require that allowable production be adjusted accordingly, and that Aztec be required to shut-in the subject well until gas production therefrom is in balance with allowable for a 40-acre unit; and that no possible drainage can ultimately result to Aztec from such order, because the

well would be shut-in for such period of time only as is required to enable the parties who have sustained drainage at the hands of Aztec an opportunity to balance such drainage. That the Commission has the authority and, we believe, the duty to enter an order accomplishing these things has, in our opinion, been abundantly demonstrated hereinabove in our several references to the applicable statutes and rules and regulations and orders of the Commission.

It is, therefore, earnestly urged and requested that in approving the non-standard 40-acre unit applied for in Case No. 992 the Commission make such approval retroactive to January 1, 1954, and that by appropriate action it order the subject well shut-in until all production since January 1, 1954 is in balance with an allowable on the basis of a 40-acre gas proration unit.

Respectfully submitted,

CONTINENTAL OIL COMPANY

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Jason W. Kellahin

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ATTORNEYS

MAIN OFFICE OCC AZTEC OIL & GAS COMPANY  
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DALLAS 1, TEXAS  
QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY  
SEP 6 1956 3:01 PM

September 4, 1956

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter,  
Secretary-Director

Re: Case No. 992

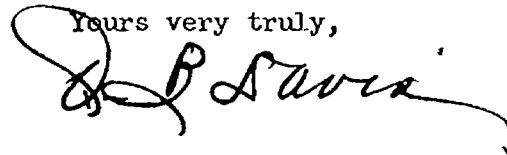
Gentlemen:

Continental Oil Company has delivered to us executed counter-parts of a Communitization Agreement covering the communitization and pooling of the Blinebry gas formation underlying the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, to form a standard 160-acre gas proration unit dedicated to Aztec's Dauron Well 2-B, located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10. An affidavit, in duplicate, by Aztec, as operator of the unit, stating that the communitization has been effected, is enclosed for your files.

Aztec Oil & Gas Company, Applicant in Case No. 992, hereby respectfully requests the Commission to dismiss such case on the grounds that the lands involved have been communitized and pooled for the production of gas and associated liquid hydrocarbons from the Blinebry formation.

With thanks, I am

Yours very truly,



QBD:NL

Enc.

cc - Mr. Harry Dippel  
Mr. Jason W. Kellahin  
Mr. Prentice Watts

MAIN OFFICE 000

AFFIDAVIT OF COMMUNITIZATION AGREEMENT

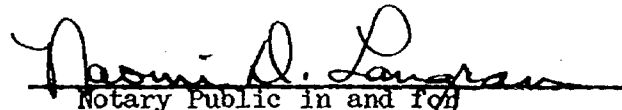
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STATE OF TEXAS )  
COUNTY OF DALLAS )

Quilman B. Davis, being first duly sworn, deposes and says that he is the duly authorized agent and representative of Aztec Oil & Gas Company, designated operator of the Dauron Well No. 2-B, located in the NE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of a communitized unit embracing the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, N.M.P.M., consisting of 160 acres, more or less, and that all owners of working interests underlying the above described unit have pooled or communitized their respective interests for the purpose of production of gas and associated hydrocarbons from said unit, insofar as said production pertains to the Blinebry Gas Pool.

  
Quilman B. Davis, General Attorney  
for Aztec Oil & Gas Company

Subscribed and sworn to before me this 4th day of September, 1956.

  
Notary Public in and for  
Dallas County, Texas

My Commission Expires:

June 1, 1957

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN B. DAVIS  
SECRETARY AND GENERAL ATTORNEY

August 31, 1956

Mr. Jack Gurley  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Jack:

Mr. Harry Dippel called yesterday and advised that the communitization and operating agreements for the Blinbry formation covering the NE $\frac{1}{4}$  of Section 10, Township 21 South, Range 37 East, had been signed by all parties having a working interest in the unit.

I expect to receive these documents next week, and if they are all in order I will promptly forward to the Commission our affidavit that the communitization has been effected and request the dismissal of our application.

With best personal regards, I am

Yours very truly,

*Quilman*

QBD:NL



MAIN OFFICE 600



113 SEP 4 AM 8:22

# CONTINENTAL OIL COMPANY

FAIR BUILDING  
FORT WORTH 2, TEXAS

HARRY G. DIPPEL  
GENERAL ATTORNEY  
GLENN L. MACE  
FRANK L. MERRILL  
ATTORNEYS

August 30, 1956

New Mexico Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Re: Case 992

Gentlemen:

We are pleased to be able to inform you that the communitization agreement covering the communitization of the NE/4 of Section 10, T-21-S, R-37-E, N.M.P.M., Lea County, New Mexico, to form a standard 160-acre gas proration unit dedicated to Aztec Oil & Gas Company's Dauron Well 2-B, located 660 feet from the North line and 525 feet from the East line of said Section 10, has now been executed in counterparts by Aztec Oil & Gas Company, Continental Oil Company, The Atlantic Refining Company, Standard Oil Company of Texas, and Stanolind Oil and Gas Company as the owners of all of the working interest under the respective oil and gas leases covering said quarter section.

Aztec Oil & Gas Company is the owner of the well to which this unit is attributed and is, of course, the operator of the unit, and the operating agreement covering such operation has also been executed by all of the above named parties. All of the contracts are in our possession and will be submitted to Aztec for further handling. By telephone this morning I informed Mr. Quilman B. Davis, General Attorney of Aztec, of my telephone conversation this morning with your Mr. Jack Gurley and of the fact that Continental Oil Company now has in its possession and will transmit to Aztec the above-mentioned executed instruments for further handling. Mr. Davis informed me that as soon as he receives these executed instruments Aztec will prepare and forward to the Commission an appropriate affidavit stating that the Communitization Agreement has been fully executed by all working-interest owners. Mr. Davis also informed me that Aztec will request

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

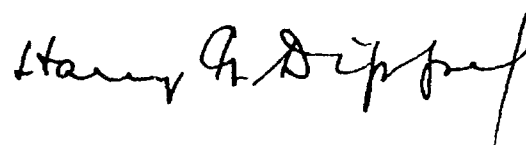
New Mexico Oil Conservation Commission  
Page 2

your Honorable Commission to dismiss its application in Case 992.

You are respectfully advised that Continental Oil Company has no objection to the dismissal of said application and would be glad to join Aztec in such request in the event your Commission desired such joinder.

Assuring you of our appreciation for your many courtesies in connection with this troublesome matter, I am

Yours very truly,



HGD-ED

cc Mr. Quilman B. Davis  
Aztec Oil & Gas Company  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Mr. Jason W. Kellahin  
Attorney at Law  
P.O. Box 597  
Santa Fe, New Mexico

Mr. H.L. Johnston  
Continental Oil Company  
Fort Worth, Texas

Mr. R.L. Adams  
Continental Oil Company  
Roswell, New Mexico



## CONTINENTAL OIL COMPANY

FAIR BUILDING  
FORT WORTH 2, TEXAS

February 13, 1956

HARRY G. DIPPEL  
GENERAL ATTORNEY  
GLENN L. MACE  
FRANK L. MERRILL  
ATTORNEYS

Mr. W.B. Macey  
Secretary-Director  
New Mexico Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico'

Re: Case No. 992

Dear Sir:

Pursuant to the request contained in your letter of January 24, 1956, we enclose herewith three copies of a memorandum brief covering Continental Oil Company's position and contentions in the subject case.

While your said letter requested that you be furnished with only two copies of such brief, we are enclosing a third copy so that each of the three members of the Conservation Commission may have a copy in the event this would be of some convenience.

By carbon copy of this letter copies of this brief are being mailed to Mr. Quilman Davis and Mr. Jack Campbell at the addresses shown in your letter of January 24, 1956 requesting the furnishing of the enclosed brief.

Assuring you of our appreciation for the privilege of filing this brief, I am

Yours very truly,

HGD-ED  
Encs  
cc Messrs. Quilman Davis  
Jack Campbell  
Jason W. Kellahin  
w/encs

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

September 14, 1956

C  
O  
P  
Y

Mr. Jack Campbell  
P. O. Box 721  
Roswell, New Mexico

Dear Sir:

On behalf of your client, Aztec Oil and Gas Company, we enclose two copies of Order No. R-879 issued September 13, 1956, by the Oil Conservation Commission in Case No. 992, which was heard on January 19, 1956.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

jh  
encls.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 14, 1956

C  
O  
P  
Y

Mr. H. G. Dippel  
Continental Oil Company  
Fair Building  
Fort Worth 2, Texas

Dear Sir:

We enclose a copy of Order No. R-879 issued September 13, 1956, by the Oil Conservation Commission in Case No. 992, which was heard on January 19, 1956, for your records.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

jh  
encl.

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. 992  
Order No. R-879

THE APPLICATION OF AZTEC OIL  
AND GAS COMPANY FOR A NON-  
STANDARD GAS PRORATION UNIT IN  
THE BLINEBRY GAS POOL, CONSISTING  
OF THE NE/4 NE/4 OF SECTION 10,  
TOWNSHIP 21 SOUTH, RANGE 37 EAST,  
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.  
on January 19, 1956, at Santa Fe, New Mexico, before the Oil  
Conservation Commission, hereinafter referred to as the "Com-  
mission".

NOW, on this 13<sup>th</sup> day of September, 1956, the  
Commission, a quorum being present, having considered the record  
herein and the evidence and testimony adduced and being fully  
advised in the premises,

FINDS:

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

(2) That applicant, by its attorney, has entered  
an appearance and moved to dismiss the cause of action.

IT IS THEREFORE ORDERED:

That the application of Aztec Oil and Gas Company  
for a 40 acre non-standard gas proration unit in the Blinebry  
Gas Pool, Lea County, New Mexico, consisting of the NE/4 NE/4  
of Section 10, Township 21 South, Range 37 East, NMPM, be and  
the same is hereby dismissed.

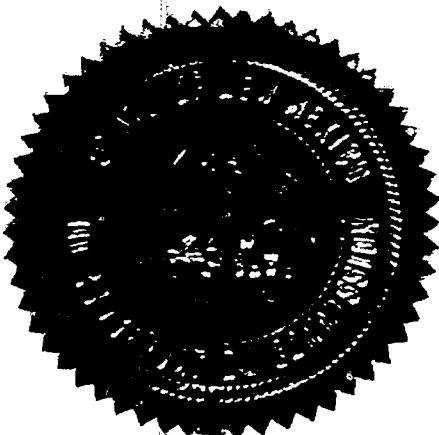
DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 992

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6891  
ALBUQUERQUE, NEW MEXICO

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BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Santa Fe, New Mexico  
January 19, 1956

IN THE MATTER OF:

Application of Aztec Oil and Gas Company for an order approving a non-standard gas proration unit in exception to Rule 5 (a) of Order R-610 of the Special Rules and Regulations for the Blinbry Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 40 acre non-standard gas proration unit consisting of the NE/4 NE/4 Section 10, Township 21 South, Range 37 East; said acreage to be dedicated to applicant's Dauron Well No. 2-B located 660' FNL and 525' FEL of said Section 10.

Case No. 992

AFTERNOON SESSION

Before: E. S. (Johnny) Walker and William B. Macey.

TRANSCRIPT OF HEARING

CHAIRMAN MACEY: The next case on the docket is Case 992.

MR. DAVIS: Quilman Davis and Jack Campbell, attorneys for Applicant. We have one witness.

P R E N T I C E   W A T T S

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. DAVIS:

Q Please state your name.                    A My name is Prentice Watts.

Q What is your position with Aztec Oil and Gas Company?

A I am District Superintendent in Hobbs, New Mexico.

Q Are you familiar with the application filed on behalf of Aztec Oil and Gas Company in Case 992?

A Yes, I am.

~~MR. DAVIS: Are the qualifications of this witness acceptable?~~

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691

CHAIRMAN MACEY: Yes, sir.

Q What is the nature of Aztec Oil and Gas Company's application?

A This application is for an exception to Rule 5-A of Order 610 as amended for the establishment of the non-standard gas unit in the Blinebry Pool. This covers a 40 acre unit comprising the northeast quarter of the northeast quarter, section 10, Township 21, south, Range 37 east. It's reflected on a plat attached to our application. The effective date of this application is to be November 1st, 1955.

Q Mr. Watts, in that connection, by "effective date" you mean our request for the establishment of a non-standard proration unit is effective as of November 1? A Yes.

Q That is our request. Did you state the name of the well that's located on this tract?

A The name of the well is our Dauron 2-B located 660 feet south of the north line and 525 feet west of the east line of Section 10, Township 21 south, Range 37 east.

Q When was this well originally drilled?

A This well was originally completed in 1951, later, January 1953, it was dually completed in the Blinebry and Drinkard zones. I failed to say it was originally completed in the Drinkard zone.

Q It was initially drilled in 1951 to the Drinkard formation?

A That is correct.

Q When was it dually completed as a gas well?

A It was dually completed February the 26th, 1953.

Q In the Blinebry formation? A Yes.

Q This was in accordance with approval obtained from the

Commission?

A That is correct.

Q Mr. Watts, the proposed non-standard unit, does it lie wholly within a Governmental section?

A Yes.

Q Would you consider that this unit may reasonably be productive of gas from the Blinebry formation in the Blinebry gas pool?

A Yes.

Q Well, you have already stated the size of the unit which would indicate that it doesn't exceed 2640 feet?

A That is correct.

Q Who owns the working interest in this 40-acre tract?

A Aztec owns the entire working interest in the proposed unit.

Q Mr. Watts, why is Aztec making this application at this time?

A On or about November 1st, 1955, we were notified by Continental Oil Company that they no longer considered the pooled unit to be in effect. Therefore, we are requesting a non-standard 40-acre unit be designated.

Q Let's first describe what was it, the pooled unit?

A Originally upon completion of the Blinebry zone, the pooled unit was 160 acres consisting of the northeast quarter of Section 10, Township 21.

Q That wasn't at the time that the well was initially completed?

A No, it was not.

Q That was by agreement reached as of January 1, 1954?

A That is correct.

Q We are now coming in since we have been advised that the Continental, who is the owner of the other land in the northeast quarter --

A (Interrupting) That is correct.

Q (Continuing) -- no longer considers that a pooled unit. We are now making application for the 40 acres on which our well is located?

A That is correct.

Q Is it your opinion that if this non-standard gas proration unit is not approved by the Commission, that the Applicant will be deprived of the opportunity to recover its just and equitable share of its gas in the reservoir?

A That is correct.

MR. DAVIS: I believe that is all the questions I have.

CHAIRMAN MACEY: Any questions of Mr. Watts? Mr. Dippel.

MR. DIPPEL: Harry G. Dippel for Continental Oil Company, and Mr. Jason Kellahin is also representing Continental.

CROSS EXAMINATION

By MR. DIPPEL:

Q Mr. Watts, you spoke of a pooled unit. Do you have a Form C-104 or Form C-110 with a plat attached showing the pool unit you are talking about?

A No, sir.

Q Do you know whether or not Aztec has ever filed with this Commission a Form C-104 and a Form C-110 with plat attached showing this unit?

A I don't know.

Q Will you answer my question, Mr. Davis is not testifying.

A Yes. I do not for sure, sir.

Q What unit are you talking about when you referred to a pool unit?

A We are talking about the northeast quarter of Section 10, Township 21, Range 37 east.

Q What evidence do you have in your possession showing the limit of that pool unit on anything that you have filed with this Commission?

A We have letters to the Commission, we have copies of letters to the Commission from Continental and Aztec. These letters were dated June 18 --

Q (Interrupting) I don't believe you understood my question. Let me restate it.

A All right, sir.

Q What evidence do you have of anything that Aztec has filed with this Commission showing the limits of this pool unit?

A We have these letters that I am referring to, which designated --

Q (Interrupting) You haven't understood my question. What evidence do you have in your possession covering anything that Aztec has filed with this Commission on which is shown the limits of this pool unit?

A Do you mean a state form that we file?

Q Anything that Aztec has filed with the Commission defining the limits of the unit that you referred to as a pooled unit.

A I believe these letters that I refer to designated the area that is in question.

Q You didn't file a Continental letter with the Commission, did you?

A No, sir, we did not.

Q Why don't you try to answer my question, Mr. Watts?

A Apparently I don't understand the question fully.

Q The question simply is what has Aztec filed with this Commission in which they have defined the limits of the unit that you referred to as a pool unit?

A We have not filed any specific form designating the 160 acres that I have referred to.

Q Let me ask you this question, what have you filed with this

Commission that is required of Aztec to be filed showing a pooled unit which will show the limits of this unit that you referred to?

A Only the letter that we referred to them.

Q Is that required to be filed by the rules of this Commission?

A No, sir.

Q You haven't answered my question, Mr. Watts.

MR. DAVIS: I would like to object to counsel's questions here. I don't believe his questions are within the call of this hearing. This is an application for a 40-acre non-standard unit, and I don't believe his questions are pertinent to this particular application.

MR. DIPPEL: The witness has said that this 40-acre application deals with something that he refers to as a pooled unit which he claims Continental no longer considers in effect. I think it's very pertinent. If there is a unit of which this 40 acres are a part, we are entitled to know what the unit is, and I think the Commission is entitled to know it. If there is no such unit, then the witness is incorrect when he says there is a unit.

MR. DAVIS: I think if there is any question about the formation of a unit, then that is a matter that should be called under an application of Continental, or we have no objection if the Commission wants to set down an application for a hearing on the question of the northeast quarter as the pooled unit. All we are asking for is a 40-acre non-standard unit consisting of the northeast, of the northeast of Section 10.

MR. DIPPEL: Do I understand that you are asking for a 40-acre unit effective November 1, 1955, is that correct.

MR. DAVIS: Yes, sir.

MR. DIPPEL: Mr. Watts, may I sit up here?

CHAIRMAN MACEY: Yes, sir.

Q Am I correct in understanding that you said awhile ago that there was some sort of a 160 acre tract of land which you referred to as a pooled unit, of which this 40 acres at one time was alleged by you to have been a part?

A That is correct.

MR. DIPPEL: I submit to the Commission then that they are asking for an unorthodox 40-acre unit covering the 40-acre tract which apparently this witness has testified at one time was a part of some other kind of a unit. I don't know whether it is still a part of that unit or not, if it ever was. I think the Commission is entitled to know whether it is or not. Unless we can interrogate this witness about it and find out what he knows about it, I don't see how we will ever develop that.

MR. DAVIS: In answer to that, if the Commission please, I think the witness's answer was responsive to my question for the purpose of filing this application. I specifically asked him what the purpose of this application was and why we were filing at this time. He is simply telling the Commission, or advising the Commission, the reason that we are filing and asking for a non-standard proration unit effective November 1, 1955. We are not even considering in our application or the call of this hearing, the formation of the unit.

MR. DIPPEL: May I see the application, please?

CHAIRMAN MACEY: I believe there's a copy of it.

MR. DIPPEL: Could I have the original?

Q Mr. Watts, will you look at this letter or document I hand you on stationery, reading, "Aztec Oil and Gas Company, 920 Mercantile

Securities Building, Dallas 1, Texas", dated November 4, 1955, addressed to the Oil Conservation Commission, State of New Mexico, two pages signed Aztec Oil and Gas Company by Quilman Davis, General Attorney. Will you look at that please?

A Yes, sir.

Q Is that your application? A Yes, sir.

Q Will you refer to numbered Paragraph 7 and read it please?

A Paragraph 7, "Applicant has been unsuccessful in its efforts to pool the lands covered by this application with adjoining lands to form a standard gas proration unit as provided by Order 610 as amended".

MR. DIPPEL: I would like the Reporter to mark this as Continental Exhibit 1.

(Marked Continental's Exhibit No. 1, for identification.)

Q Does that Paragraph 7 which you read deal with this so-called pooled unit you referred to awhile ago?

A Yes, sir.

Q Then there was never such a unit by the very language of that Paragraph 7?

A Yes, sir, we are under the opinion there was a unit.

Q Let me --

A Go ahead.

MR. DAVIS: I will object to the question again. We are talking about an application here for a non-standard unit. The statements made in this application are still not bringing out the question of whether or not we did or did not have a unit. I would like for the Commission to consider that if that matter is to be considered it be on application of Continental, or by Commission's own order for hearing.

~~MR. DIPPEL: This is a sworn application, sworn to by Mr. Davis.~~

ADA DEARNLEY & ASSOCIATES  
STENOGRAPHIC REPORTERS  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE 3-6691



If it doesn't state the truth we ought to know it. It says right here they were unsuccessful in pooling it and setting up a unit. I think the question is very pertinent.

MR. DAVIS: One other point, if the Commission please, is that this application was prepared and dated after we had been advised by Continental of their decision, or that they considered the pooled unit no longer effective. Maybe I personally used some rather loose language there, but I still contend that we are not raising the question in this application as to whether or not a 160 acre unit was formed. Certainly that paragraph was prepared and put into the application after we had been so notified by Continental that they no longer considered that a unit.

CHAIRMAN MACEY: Mr. Davis, we feel that the original unit, whether or not it was formed or wasn't formed, is a pertinent part of this case since this acreage was originally part of that purported unit. I don't think we can divorce one from the other. If Mr. Watts can answer the question; I frankly don't think he understands. I don't think he can not answer it. I don't think he understands what you are driving at. Maybe you can rephrase the question that you asked before.

MR. DIPPEL: I will be glad to try another approach, Mr. Macey.

Q Mr. Watts, perhaps this will help you understand what I am driving at. Do you have a copy of the application before you there?

A Yes.

Q Will you look at the first paragraph of that application? That first paragraph reads like this, does it not? "Aztec Oil and Gas hereinafter referred to as Applicant, hereby submits its

application for administrative approval of a non-standard gas production unit comprising the northeast quarter, northeast quarter of Section 10, Township 21 south, Range 37 east, NMPN, Lea County, New Mexico, as reflected on the plat attached hereto, effective November 1, 1955". Do you know why the request was made that it be made effective November 1, 1955?

A Yes, sir, that is when we were informed by Continental that the unit, the 160 acre unit to which we have referred, was no longer in effect.

Q Do you have in your possession any document of any kind bearing the signature of Continental Oil Company showing that there ever was any such unit?

MR. DAVIS: I don't believe Mr. Watts is qualified to answer that.

MR. DIPPEL: He knows he has it in his possession.

MR. DAVIS: You said in his personal possession?

A I do not have it in my personal possession here.

Q Thank you. Mr. Watts, do you know of your own personal knowledge -- let me withdraw that question. What did you state your position is with Aztec?

A I am District Superintendent.

Q Forty acres that is covered by your application is within your jurisdiction?

A Yes, sir.

Q Is it a part of your duty in that position that you occupy, to file reports and forms required by this Commission with respect to oil and gas wells in the territory over which you have jurisdiction?

A In most cases, yes, sir.

Q In what cases is it not your duty?

A I don't have any specific cases where it is not my duty. It more or less depends on the situation and my --

Q (Interrupting) Give us a situation where it would not be your duty.

A Possibly when the subject is being handled by the Dallas Office.

Q What kind of a situation would it be when the subject would be handled by the Dallas Office?

A I believe that would have to be decided by management, my superior, and not myself.

Q Can you call my attention to one such instance that has happened within the last two years?

A Well, I am sure there have been several.

Q Can you name one?

A For example, as concerned this, I did not participate in any of the conferences concerning the unit with Continental.

Q Are you, and were you on January 1, 1954 and at all times from that date to today in charge of the operation of this well?

A Yes, sir.

Q Is it not then a fact that that being true, it was your responsibility to file forms and reports required by the rules and regulations of this Commission with respect to that specific well?

A Well, sir, I did not file all the reports that are required for that particular well. My duties for the reports filed with the Commission, 1153, OC-102, 1033, for work that we performed on the well, but also I can name other forms that are required by the state that I do not form such as the production and royalty statements.

Q Let's stick with this particular well, and let's go back to the first form C-104 and C-110 and plat attached that was filed covering the well that is dealt with in your application in this Case No. 992.

MR. DIPPEL: May I see the well file?

CHAIRMAN MACEY: The well file?

MR. DIPPEL: Yes, the well file. I have in mind the forms 104, 110 with the plat attached showing the original acreage attributed to this. I believe it was filed in November 1953.

CHAIRMAN MACEY: This is the file right here.

MR. DIPPEL: That's not the one.

CHAIRMAN MACEY: Here is the original 104 that was filed. It was filed in February of 1953, Form 110 covering the distillate from the Blinebry, Form 110 covering the gas from the Blinebry zone, and the plat that was filed in November of 1953. In other words, the 104 and the 110 had been filed previous to filing the plat as I interpret the file.

MR. DIPPEL: Thank you. Will you identify these as Exhibit's 2, 3 and 4, please?

(Marked Continental's Exhibits Nos. 2, 3 and 4 for identification.)

Q Mr. Watts, I hand you three documents which have been identified by the Reporter as Continental's Exhibits 2, 3 and 4 in Case 992. Will you look at those exhibits please?

A Yes, sir.

Q Looking at Exhibit No. 2, what signature appears on that exhibit?

A A. M. Wiederkehr.

Q Who is Mr. Wiederkehr?

A He was an engineer with Aztec.

Q Is he still with Aztec? A No, sir.

Q Was he under your supervision? A No, sir.

Q Were you under his supervision?

A No, sir.

Q What does that Exhibit No. 2 purport to be?

A It is a gas well plat covering the Dauron No. 2 well in the Blinebry Pool.

Q What acreage does that plat purport to show has been attributed by Aztec to the Dauron No. 2? A Forty acres.

Q What 40 acres?

A The northeast of the northeast quarter of Section 10, Township --

Q How many Blinebry gas wells are on that 40 acre tract?

A One.

Q Is that the well that is the subject of this application?

A Yes, sir.

Q Has there ever at any time been any other Blinebry gas well on there?

A Not to my knowledge.

Q Let's look at Exhibit No. 3 that you have in your hand. What does that purport to be?

A This is a certificate of compliance and authorization to transport oil and natural gas.

Q Whose signature appears on that in behalf of Aztec?

A My signature does.

Q When was that dated? A February 26, 1953.

Q Does that form -- That is Form 110? That Form 110 covers

your Dauron No. 2 well on the 40 acre tract that is the subject matter of this application?

A I'll read from the application, "This authorization covers the transport of distillate produced incidental to normal gas production."

Q Normal gas production from what?

A Dauron No. 2, Blinebry zone.

Q Then it does cover this well as to its production from the Blinebry zone?

A That is correct.

Q Exhibit No. 4 that you have in your hand is a Form C-110. What does that form cover, what well and what production?

A This covers the Dauron No. 2. It covers, to read from the form, "This covers gas to be transported by Southern Union Gas Company".

Q Whose signature on behalf of Aztec, appears on there?

A My signature

Q What was your title at that time?

A I was an engineer.

Q I will ask you to look at Exhibit 3 once more. Your title when you signed that was also engineer?

A Yes, sir, they were signed on the same day.

Q Did you forward the documents that have been identified as Continental's Exhibits Nos. 2, 3 and 4 in Case 992, concerning which you have just testified, did you forward those to the New Mexico Oil Conservation Commission, or to whom did you forward them?

A I did not forward this one.

CHAIRMAN MACEY: Which one are you talking about?

A Exhibit 2, I cannot recall forwarding this one myself.

Q Did you forward Exhibits 3 and 4?

A However, Exhibits 3 and 4 were undoubtedly forwarded by me from Hobbs.

Q At the time that you forwarded the documents that have been identified as Exhibits 3 and 4, and which are respectively Forms C-110 and, they are both forms C-110, where is the Form C-104 -- let's withdraw that question.

MR. DIPPEL: Will you mark this Exhibit 5, please?

(Marked Continental's Exhibit No. 5,  
for identification.)

Q Mr. Watts, I hand you a Form C-104 dated at Hobbs, New Mexico February 26, 1953, which has been marked by the Reporter as Continental's Exhibit No. 5 in Case 992. Whose signature in behalf of Aztec appears on that?

A My signature does.

Q At that time you were also engineer?

A Yes, sir.

Q Thank you. That also deals with this same well that is the subject of your application in Case 992?

A Yes, sir, it covers the mechanical details of perforations in the two zones.

Q Yes, sir. It covers the same 40 acres that is the subject of your application in Case 992?

A That is correct.

Q Mr. Watts, at the time that you as engineer for Aztec executed and forwarded for filing with this Commission the three documents that have been shown to you, and that have been identified by the Reporter as Continental's Exhibits 3, 4 and 5, you understood what those forms were, didn't you?

A Yes, sir.

Q You know what they are now, don't you?

A Yes, sir.

Q The question now is, have you at any time subsequent thereto executed any such Forms 104, C-104 and C-110 covering the Dauron No. 2 well that is the subject matter of these forms referred to as Exhibits 3, 4 and 5, and which well is the subject of your application in the Case 992 now on hearing?

A I cannot recall filing any. I would have to check a well file. I do not recall filing any myself.

Q Would it have been your responsibility to file them, if any had been filed?

A Not necessarily so.

Q Who else in the Aztec organization might have had that responsibility, if you know?

A There could have been several in the Dallas office.

Q Can you name them?

A Possibly Mr. Wiederkehr.

Q Is he now in the Dallas office?

A He is no longer with Aztec.

MR. DAVIS: I think Mr. Watts is a little bit confused about Mr. Wiederkehr's position. If you will let me ask him a question, get that point cleared up. It has been brought up twice.

Q Was it not Mr. Wiederkehr that was employed by Southern Union Gas and that Aztec being a wholly owned subsidiary, he naturally filed the reports up until May 4, 1954, up to the time it went out on its own?

A That is correct.

Q He has never been associated with Aztec?

A Yes.

Q But in his position with Southern Union Gas Company in the operation of the subsidiary at that time in '53 he did file reports on behalf of Aztec?

A Yes, sir.

By MR. DIPPEL:

~~Q I ask you to state if that is signed by Mr. Wiederkehr?~~



A Yes, sir.

Q Is that the Mr. Wiederkehr to whom you were referring in response to Mr. Davis?

A That is correct.

Q Does the form not show that he signed as engineer for Aztec?

A Yes, sir, he was representing Aztec.

Q This form is not correct --

MR. DAVIS: I object to that question. I was trying to explain, Mr. Dippel, that at the time the form was filed and up until May 1 of 1954, Mr. Wiederkehr had full authority to sign any and all forms on behalf of Aztec Oil and Gas Company, but up until February of 1954 Aztec was still a wholly owned subsidiary of Southern Union and after that date Southern Union had an operating agreement performing services for Aztec up until May 1, 1954, at which time separate offices were obtained for them. That is what I was trying to point out. He had the authority in 1953.

Q Do you know for whom Mr. Wiederkehr is now working?

A He is employed by Southern Union Gas Company at present.

Q In the Dallas office? A Yes.

MR. DIPPEL: I believe that's all the questions I have of Mr. Watts.

CHAIRMAN MACEY: Does anyone else have a question of the witness? Mr. Kitts.

By MR. KITTS:

Q The well was granted a 160 acre allowable, was it not?

A That is correct.

Q It has been producing under a 160 acre allowable?

A That is correct.

Q To your knowledge did Aztec ever offer to Continental or any

~~other working interest owner on the 160 acres the proceeds of this, any~~  
of the proceeds of the well?

A I had no participation in any of the discussions concerning the acting procedures with Continental, and so I don't believe I am qualified to answer that.

Q You can't answer whether such an offer was or was not made?

A I am not qualified to answer. I don't know.

Q Do you know whether, of your knowledge, whether any demand was made by Continental for any share of the proceeds of production?

A No, sir, I do not know. Again I don't believe I am qualified to answer from having full knowledge from any that they may have offered.

MR. KITTS: That is all.

MR. DAVIS: I have a question or two to ask Mr. Watts.

RE-DIRECT EXAMINATION

By MR. DAVIS:

Q You were testifying a few minutes ago in connection with Continental's Exhibits 2, 3 and 4. Let me ask you if these exhibits were not filed on behalf of Aztec Oil and Gas Company prior to the time that authority was given, and the granting of the 160 acre allowable?

A That is correct.

Q Before that was ever considered?

A Yes, sir.

Q These were filed in 1953? A Yes, sir, that is correct.

MR. DAVIS: I would like to also introduce as Aztec's Exhibit No. 1 and I will ask you, Mr. Watts to describe the nature of that unit. I think you referred awhile ago to a plat attached to our application. Would you please briefly describe that exhibit?

A This exhibit No. 1 in Case 992 is a plat entitled Exhibit Application for Non-Standard Gas Proration Unit, Blinbry Gas Pool. It indicates the location of the Dauron No. 2 and indicates 40 acres northeast of the northeast of Section 10, Township 21 south, Range 37 east, as being the unit applicable to this well.

MR. DAVIS: If agreeable with the Commission, I would like to introduce this as part of the record, as Exhibit No. 1.

CHAIRMAN MACEY: Is there objection? Without objection, Exhibit No. 1 will be introduced, Aztec's Exhibit No. 1. Are there any other questions of the witness?

MR. DIPPEL: Yes, sir, I have some questions.

RE-CROSS EXAMINATION

By MR. DIPPEL:

Q In response to Mr. Kitts' question, Mr. Watts, I believe you stated that this well has been producing on the basis of 160 acre allowable?

A Yes, sir, that is true.

Q Are you aware of what those allowable figures are?

A Yes, sir, I am aware of what is in the gas proration schedule.

Q Do you know of your own knowledge whether or not that well has been producing its allowable?

A I don't recall whether it is over or under right at present, but for the most part it has.

Q It has what?

A It has produced its allowable.

Q Do you know whether it produced its allowable during the month of December of 1955 or not?

A December '55, I would have to look at records to see when the production was. I don't recall.

Q ~~Do you know of your own personal knowledge during any month~~  
beginning with January 1954 through December 1955, whether or not  
this well ever produced less than its allowable?

A I feel certain it did produce less than its allowable at  
times, and quite likely at times it produced more than the designated  
allowable as shown in the allowable schedule. I feel that we could  
check that by looking at production records and the allowable  
schedule.

CHAIRMAN MACEY: I am sure we could.

A I don't have those figures at hand from memory.

Q Do you know whether or not this well has ever been shut in  
because of over production?

A I don't recall. I am sure it has been shut in for a few  
days at a time.

Q Do you know whether or not it has ever been shut in because  
of over production and because of an order of this Commission re-  
quiring it to be shut in to make up over-production?

A That I do not know.

Q If it ever had been so shut in, would you not know it since  
you are responsible for it?

A Yes, sir, if it had been shut in for any length of time I  
would know it.

Q Are you telling the Commission now that you don't know  
whether it has or has not been so shut in?

A Sir, I believe I said that I feel it probably has been shut  
in for several days at a time because of overage or underage or  
normal variance in our production.

Q Has this well ever been shut in because of under production?

A I do not recall.

Q You said under or overage. I assume you meant under production when you said underage?

A I mean the normal variation, you can expect normal variance in the gas that the pipeline takes.

Q Of your own personal knowledge, although you are personally responsible for it, you do not know if the well has been shut?

A Not officially shut in by the state.

Q All right. Earlier you testified in response to Mr. Davis's question on direct examination I believe, something to the effect that Continental notified you that it didn't consider the 160 acres that you had been referring to as being a pooled unit any more. Is that right, did I understand you to say that?

A Yes, sir, that is correct.

Q Who in Continental informed you that there ever was a pooled unit which it no longer considered in effect?

A No one in Continental informed me personally.

Q What you testified to awhile ago is pure hearsay, you don't know anything about it except somebody in the Aztec organization told you?

A Yes, sir, that is correct. I take verbal instructions quite often.

Q Was that an instruction to you?

A I don't guess you could call that exactly an instruction. At least it was keeping me informed to some extent what was going on.

Q Let me ask you this question. As of right now, do you know of your own personal knowledge and not based on what somebody else told you, do you know of your own personal knowledge that anybody

purporting to speak for Continental Oil Company ever told Aztec that Continental no longer considered this a pooled unit?

A From my own personal knowledge no one with Continental told me that, nor have I personally received a letter from Continental.

Q So you don't know whether that statement you made awhile ago is true or not, of your own personal knowledge absent what anybody told you?

A That is correct.

Q In your organization?

A That is correct.

MR. DIPPEL: That is all.

CHAIRMAN MACEY: Anyone else have a question of the witness?

By MR. MACEY:

Q Mr. Watts, under all the conditions that the well we are discussing has been producing since completion in the Blinbry zone, has the well always been tied to Southern Union Gas Company's system?

A Yes, sir, that is correct.

Q Under normal operating procedures is it customary for you or one of your personnel in Aztec to shut the well in when the time comes for it to be shut in?

A No, sir.

Q Who performs those functions?

A Southern Union usually does that. I will say that our personnel is out there every day and works very closely with them. We would be informed of that if nothing else from the oil production, the distillate production.

Q When they shut the well in you don't know right away that it is shut in necessarily?

A I would usually know within a day from our production reports.

Q In other words, you would know if the well had been shut in

over an extensive length of time for any reason?

A I should know, I may not recall unless I would look at records.

CHAIRMAN MACEY: Does anyone else have a question of the witness?

MR. DIPPEL: Before we excuse the witness, I would like to offer in evidence Continental's Exhibits 1, 2, 3, 4 and 5.

CHAIRMAN MACEY: They have all been identified, have they not?

MR. DIPPEL: Yes, sir, those are the exhibits concerning which he has testified, and they have had a Reporter's identification.

CHAIRMAN MACEY: Is there objection? If not they will be received. Anyone else have a question of the witness? If not the witness may be excused. Do you have anything further, Mr. Davis?

(Witness excused.)

MR. DAVIS: If the Commission please, Astec still objects to the introduction of any testimony concerning whether or not the 160 acre unit was formed. We strongly believe it was. We believe it is a matter for a separate hearing, but in view of the fact that the Commission has permitted Continental to question the witness concerning that, we would like to call another witness to discuss that matter.

MR. DIPPEL: May I state for the record, they brought it up, we didn't. Their witness talked about a pooled unit that we no longer considered in existence.

CHAIRMAN MACEY: I think the record speaks for itself as to what the score is. If there is no further question of Mr. Watts, he may be excused.

V A N T H O M P S O N

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. DAVIS:

Q Will you please state your name for the record?

A Van Thompson.

Q You testified before this Commission before?

A Yes, sir.

Q What is your position with Aztec Oil and Gas Company?

A Vice President.

MR. DAVIS: Are the qualifications of the witness acceptable to the Commission?

CHAIRMAN MACEY: Yes, sir.

Q Mr. Thompson, in your position as an officer of Aztec Oil and Gas Company, were you involved in the negotiations and the agreements reached with Continental Oil Company in the formation of a standard gas proration unit for the Dauron 2 well, consisting of the northeast quarter?

A I was.

Q Would you review briefly the correspondence and the discussions that were held with representatives of Continental in connection with this?

MR. DIPPEL: We are going to object to any testimony or evidence concerning any negotiations regarding a possible formation of a proration unit. There is no evidence before this Commission and I am confident that none can be produced, to show any unit was ever formed. The proponents in this application have not proven that there has been any such unit formed. This Commission has no jurisdiction to do anything about any breakdown of negotiations or to take any action with respect to the acts of any of the parties



involved in the negotiations even if the Commission desired to do so.

The testimony concerning such negotiations can have no other purpose than to burden the record and consume the time of the Commission unnecessarily concerning a matter that the Commission has no jurisdiction of. And we respectfully object to going into these kind of things before this body, which has no jurisdiction with respect to it.

MR. DAVIS: I believe Mr. Dippel has just repeated my contention a few minutes ago. I don't know whether to object to it or not. I believe the Commission ruled on my objection awhile ago, that the formation and the request of the formation of the northeast quarter of Section 10 as a unit was a material part of the entire hearing. While I still object to the testimony through cross examination, I feel like they put some in, we ought to be able to have some direct testimony on the same subject.

MR. DIPPEL: Could I make a further statement in support of my objection? I think the record will show that any cross examination of Mr. Watts by me with respect to this so-called pooled unit thing was directed to his statement on direct examination that someone in Continental had indicated they no longer considered it a pooled unit. I would like, however, to call the Commission's particular attention to Aztec's application in this Case No. 992, which has been offered by Continental as its Exhibit No. 1 in this case, on page 2, the Paragraph numbered 7, of this sworn application says, "Applicant has been unsuccessful in its efforts to pool the lands covered by this application with adjoining lands to form a standard gas proration unit as provided by Order R-610, as amended." Aztec has sworn that there has not been such a unit. Any testimony now

regarding whether there has been one or not is directly in conflict with their sworn application, and I think is a matter, unless they want to impeach their own application, is just a bunch of time-consuming record-burdening material that can certainly serve no purpose.

MR. DAVIS: If the Commission please, I can't help but disagree with Mr. Dippel's interpretation of it. It is a matter of interpretation by the Commission. It is a copy of our application filed with the Commission, and as I said before, it was filed before, not after we were notified of the decision of Continental. The question again as to whether or not the use of the word unsuccessful efforts might be considered to say that we said there never had been a form, is a gross misinterpretation.

MR. DIPPEL: If the Commission please, on the basis of what Mr. Davis has just said, it seems to me that Aztec took Continental's word, if Continental ever uttered such a word, for the fact that there was not such a unit formed. I am willing in the interest of saving time, to stipulate there never was such a unit formed.

MR. DAVIS: Naturally I can't agree to that stipulation.

CHAIRMAN MACKEY: For the record, Mr. Kitts is going to express the Commission's viewpoint pertaining to the so-called unit, and the motion involved in this instance, and the objection.

MR. KITTS: It's the feeling of the Commission that one of the questions in this case is the formation, or non-formation or the existence, or the non-existence of the 160 acre unit. Whether it was formed, if it was formed by agreement, whether formed in fact by agreement of the parties or formed even by operation of law, we

~~don't know. We therefore feel that any evidence bearing on this~~  
question is pertinent to this proceeding, being mindful, the Commission being mindful however that there will be certain questions touched upon in the testimony undoubtedly that will raise questions that cannot properly be decided by the Commission, and the Commission will try and endeavor in hearing the case and finally deciding the case, to keep in mind what it has the power to decide and what it has not the power to decide. We feel that testimony pertaining to the formation or negotiation for the formation of the unit is proper at this time, so the objection is overruled.

MR. DAVIS: I would like to state before examining Mr. Thompson, that we want to do everything we can to clear this matter up. We certainly have no objection to the cross examination of Mr. Thompson, and any of the questions; however, I would like to point out to the Commission that the gentlemen involved on these negotiations to my knowledge are not present. I mean Continental representatives. It may be that we will want to request a continuance on that basis because we will not have an opportunity to cross examine them if there is a serious question raised concerning Mr. Thompson's testimony. Furthermore, we would like to have incorporated in this record copies of letters filed with the Commission, and I am sure they are in the Commission's files, date June 18, which was signed by Aztec Oil and Gas Company requesting 160 acre allowable effective January 1, 1954.

CHAIRMAN MACEY: What was the date of the letter?

MR. DAVIS: June 18, 1954. Then Continental letter signed by Mr. S. V. McCullom also to the Commission and written on behalf of Continental,

Stanolind Oil and Gas Company, Atlantic Oil and Refining Company, and Standard of Texas joining in that request for 160 acre allowable which we feel was the real basis and authority for the Commission to grant the allowable as it did.

CHAIRMAN MACEY: Mr. Davis, will you look at those letters and see if they are the letters?

Q Mr. Thompson, I will ask you to look at a letter on the letterhead of Aztec Oil and Gas Company dated June 18, 1954 addressed to New Mexico Oil Conservation Commission, Santa Fe, New Mexico, and signed by Q. B. Davis as General Attorney, with carbon copies being directed to Continental, Stanolind Oil, Atlantic Refining, Standard Oil Company of Texas. Would you briefly state what that letter contains?

A Well, this letter says that Aztec, Continental Oil, Stanolind and so forth, have agreed to the communitization and pooling of their respective oil and gas leasehold interests in the northeast quarter of Section 10, Township 21 south, Range 37 east, Lea County, New Mexico for the purpose of forming an orthodox gas production unit consisting of 160 acres more or less, for the Aztec Oil and Gas Company Dauron C-2 well, producing from the Blinbry formation.

Q Then briefly the request, without reading.

A It says a "communitization agreement and related papers are now being circulated for signatures of the above-named companies. Since we anticipate that there will be some delay in completing the execution of all of the papers, it is requested that a full 160-acre unit gas allowable be set up for the Aztec Dauron No. 2-C Well retroactively to January 1, 1954".

MR. DAVIS: I will like to have the letter of June 18, 1954 marked as Aztec's Exhibit No. 2, and the letter of June 24, 1954 marked as Exhibit No. 3.

(Marked Aztec's Exhibits Nos. 2 and 3, for identification.)

Q Now, Mr. Thompson, I want to show you a letter on Continental Oil Company's letterhead, letter dated June 24, 1954, identified as Aztec's Exhibit No. 3, and addressed to the New Mexico Oil Conservation Commission in Santa Fe, to the attention of W. B. Macey, and signed by Mr. S. V. McCollum who is indicated on the letterhead as being Assistant Regional Manager of Production, Southwestern Region. Mr. Thompson, you are familiar with that letter, are you not?

A Yes, sir.

Q Since it will be a matter of record with the Commission, can you simply state that that letter contains substantially the same information that you read, that I had written on behalf of Aztec?

A Yes, sir, it does.

Q And that the letter was signed by Mr. McCollum on behalf of the four companies involved, requesting the Commission to grant 160 acre allowable as we did? Is that substantially the contents of the letter?

A Yes, sir, that is correct.

MR. DAVIS: I would like to have these two made a part of the record as Exhibits No. 2 and 3.

CHAIRMAN MACEY: Those two letters identified as Exhibits 2 and 3. Is there objection? If not the two exhibits will be introduced in evidence.

Q Mr. Thompson, will you just start at the beginning and ~~briefly review the events that led up to these agreements, these~~

letters that we now have identified as Exhibits 2 and 37

MR. DIPPEL: So there will be no mistake, our objection goes to this whole line of testimony.

CHAIRMAN MACEY: Let the record so note.

A Well, late in 1953 I wrote to the Continental Oil Company, or I believe Mr. Davis did, and told them that we had filed an application with the State Commission for a 40 acre allowable, but suggested that we have some conversation about a pooling agreement on the whole 160 acres. So they wrote back and indicated that they were interested.

Q What date was that?

A That was starting November 13, and then November 19 I had a letter from Hugh Johnson indicating their interest in it. Then on December 17th Aztec wrote the Commission and had their application dismissed for 40 acre unit. On February 19, Quilman Davis and myself met in Ft. Worth with Continental's Mr. E. M. Robertson, Mr. S. V. McCollum, and Mr. Homer Daily, an attorney that I don't remember the name of that attorney. We agreed on a form of pooling of this 160 acres. In the agreement they were also to complete a well in the Tubbs on the same 160. They agreed that we could keep the production from our well, the whole 160 acre allowable until they got their well dually completed. At that time we were going to sell them a three-quarter interest in our well and purchase a one-quarter interest in theirs for the actual cost of their completing the Tubbs well. That was all agreed to and Quilman Davis prepared the papers and the letters of agreement and mailed them to them on March the 9th. We never did hear any more.

CHAIRMAN MACEY: 1954?

A 1954, March the 9th.

Q Let me ask you one question. You referred to 160 acres allowable. Actually the agreement said we were entitled to all the production from the Dauron well? A That is right.

Q Until such time --

A (Interrupting) Until such time as they got their Tubb well completed and connected to a pipeline. That was the agreement. They said it would only take a short while, so we agreed to accept the cost on their well for the basis of the purchase. That was in February of 1954. We followed it up any number of times. In September of 1955, we had some conversations with Mr. Adams here. It was the first we knew that Continental didn't want to go through with the deal.

Q Mr. Thompson, these follow-ups that you have referred to, let me ask you, some of them were in the nature of letters. However, most follow-ups were by telephone or personal contact with representatives of Continental?

A That is right. I personally at least twice talked to Mr. Robertson at Ft. Worth. We wrote them letters and you talked to them several times. Never did they indicate but what the deal was going to go through the way that we had agreed upon. We felt like that there was agreement and there was going to be a unit. Then in September of '55 why it all blew up.

Q That is carried out in connection with the two letters that we introduced as part of the evidence in this case, the letters June 18 and June 24? A That is right.

Q Which stated the companies had agreed on approval?

A Yes.

Q We feel that it was pooled and it wasn't until September that we had notice that they considered the pooling arrangements that we had agreed upon in February of '54; September 29, 1955 was our first knowledge that they considered them terminated.

A Yes, they came back in September and wanted to retrade the deal. What they wanted to do at that time was to buy an interest in our well for three-quarters of what it had cost us to dually complete the well which was an entirely different deal.

Q And obtain production from that date January 1, that was the new deal they offered?

A That is right. What they wanted to do then was make everything retroactive to January 1st, 1954.

Q Let me ask you, Mr. Thompson, was that deal that they are talking about now, was that ever offered to Continental?

A Yes, you prepared all the papers and mailed them over to them --

Q I mean in the negotiations.

A Oh, yes, in the beginning that is what we wanted to do. We wanted to sell them an interest in the well for three-fourths of \$43,000, but they said that was too much money and they could do it for twelve or fifteen thousand. That is the reason we arrived at this other method.

Q On the same day?

A On the same day.

Q Which was on or about --

A It was February 19th.

Q -- February 19th. Mr. Thompson, it was Mr. Hugh Johnson who is the Regional Manager of the Continental in this area, did he have any knowledge that these negotiations were being carried on?

MR. DIPPEL: I had no intention to object to any of this



testimony, but I think that is going just a little bit overboard too far. How could this witness know what Mr. Hugh Johnson had in his mind or what knowledge he had?

MR. DAVIS: If Mr. Dippel will permit my witness to answer I will answer him.

CHAIRMAN MACEY: What is your question?

MR. DAVIS: If Mr. Thompson had any knowledge whether or not Mr. Johnson knew about the negotiations we were carrying on, if he ever talked to him about it.

MR. DIPPEL: I have no objection to him asking him if he ever talked to Mr. Johnson about it. I object to him trying to have this witness testify about what Mr. Johnson might know.

CHAIRMAN MACEY: I didn't know he asked that question.

MR. DAVIS: Mr. Thompson can answer "no" or explain to his knowledge.

A Mr. Johnson had full knowledge of it.

CHAIRMAN MACEY: Just a minute.

MR. DAVIS: I will rephrase the question.

CHAIRMAN MACEY: I think that will be a real good idea. You withdraw the original question.

MR. DAVIS: I will withdraw the original and rephrase it.

Q Mr. Thompson, was Mr. Hugh Johnson present during any discussion concerning the formation of this unit on February 19, 1954?

A No. I'd say that he wasn't. What actually happened, we met in Mr. Johnson's office and then he sent us Mr. McCollum and all of us over into another room to make this deal. Then after that we all went to lunch together and we told him what had happened and he said, "That's fine."

Q Thank you. Mr. Thompson, you referred to a meeting with representatives of Continental on September 29, 1955. Were there any additional conferences with representatives of Continental after that date?

A Yes, sir. We met first on September 29. Then in October we had a second meeting in our offices there in Dallas, and then later we had a meeting in Ft. Worth with Mr. Johnson and Mr. Harry Dippel.

Q Was that on or about November 22nd?

A That is right.

Q Were any decisions reached other than what you have already stated at these subsequent meetings?

A No decision was ---

MR. DAVIS: (Interrupting) We may have some redirect questions.

CHAIRMAN MACEY: Are there any questions of Mr. Thompson?

MR. DIPPEL: No questions.

CHAIRMAN MACEY: Anyone else? Mr. Kitts.

CROSS EXAMINATION

By MR. KITTs:

Q Mr. Thompson, I think it's been established certainly that this well in question was granted a 160 acre allowable and has been producing pretty much up to that allowable?

A Yes, sir, that is right.

Q I understood your testimony, I believe to be, that you felt that you were entitled to the full 160 acre allowable or the full proceeds of that because of an agreement?

A That is right.

Q However, there was no notification to the Commission until recent months, was there?

A There wasn't any not ---

Q (Interrupting) That a formal execution of a written commitment had failed?

A No. There wasn't. We didn't know ourselves it had failed until September 29 when they came to see us. We thought the thing was in effect and was being circulated to be signed.

Q During any of the some eighteen-months period from the time the well started producing that allowable, or granted that allowable, and the Commission was notified of the breakdown of the negotiation, did Aztec offer any of the proceeds of the 160 acre allowable production to Continental?

A No, sir.

Q Did Continental, to your knowledge, make any demand for any?

A Yes, sir.

Q They made demand for it?

A They did it in this way, they wanted to buy a three-quarter interest in the well for three-fourths of \$43,000 and take it out of production, which would be out of the proceeds. That, by the way, we would have to get our money.

CHAIRMAN MACEY: What was the effective date that they were going to start taking that out of there?

A Oh, back to January 1st, 1954. They wanted to make it retroactive so it would put us in the position of the well paying for itself.

MR. KITTS: That is all.

CHAIRMAN MACEY: Anybody else have a question of the witness?

By MR. GURLEY:

Q Would you state again what the last date of the correspondence in 1954 that you had with Continental concerning this?

A What correspondence?

Q As I understand your testimony, there was quite a period there where there was no negotiations?

A Yes, sir, that is right. We prepared the papers and mailed them to them and they told us that they were circulating them, or I believe they said they had sent them to Houston. So we followed it up any number of times and finally just dropped the matter and let it go.

Q What do you mean you followed it up?

A We followed it up by calling them and by writing them letters, I think only one letter, asking them what had happened to the thing.

Q What was the date of the letter that you wrote?

A April 29th, it looks like.

Q Of 1954?

A That is right.

Q After April 29th, 1954, did you make any contact with Continental concerning this unit?

A Yes, sir.

Q You made that how?

A By the telephone or verbally once or twice right here at Santa Fe. We would inquire what had happened to the thing.

Q From the time that the well went into production, based on the 160 acre unit, did you have any books set up showing what Continental's contribution would be, assuming that the unit was a unit?

A No, sir.

Q If you thought at the time that that agreement had been reached, why is it that you did not keep books to that effect?

A Because according to the agreement, we were supposed to get

all the proceeds.

Q Until how long a time?

A Until they got the Tubbs well completed and connected to a pipeline.

MR. GURLEY: That is all.

CHAIRMAN MACEY: Anyone else?

MR. DIPPEL: I have some questions now.

By MR. DIPPEL:

Q When you testified in answer to a question, to a question by Mr. Kitts that it was your company's understanding that you were entitled to all of the production because of your agreement, you are referring to a purported verbal agreement reached by representatives of Continental, Aztec, is that not right?

A That is correct.

Q You have not reference to any written agreement, do you?

A Yes, sir, I had reference to one that we prepared and mailed over there which I signed, and they never did sign.

Q What I mean was an executed written agreement?

A No, sir.

Q Mr. Thompson, at the time of those negotiations concerning which you have testified, did you or did you not know that the acreage that Continental was talking about was New Mexico Federal unit acreage in which Stanolind, Atlantic and Standard of Texas owned an interest along with Continental?

A Yes, sir, I knew that.

Q At that time did you know that the New Mexico Federal unit acreage involved was subject to the payment of royalties to Uncle Sam?

A Yes, sir, I did.

Q Is it your testimony that it was your understanding that the representatives of Continental Oil Company were agreeing to give away the property of Atlantic, Stanolind, Standard of Texas, and of the United States of America and give it to Aztec?

A Yes, sir.

Q That's your testimony?

A That was the agreement.

Q You believed that?

A Yes, sir.

Q You testified a moment ago in response to Mr. Gurley's question that some contacts were done by telephone or in person?

A Yes.

Q There were numerous occasions during the negotiations where the matters were discussed in person over the telephone, is that not right?

A That is right, yes, sir.

Q You are not attempting to testify, and I am not implying that you have so attempted to, but you don't mean to say here at all that all of the negotiations were carried on in writing, do you?

A Oh, no.

Q There were many verbal ones, is that not right?

A There were many conversations. There wasn't any more trading or anything like that.

Q But there were numerous conversations after the first contact in an attempt to try to unitize? I believe your testimony was that Aztec made the contact seeking to unitize or communitize?

A I think that is right.

Q Mr. Thompson, the proceeds of the production from this well that is the subject of the application in Case 992 now on hearing, included proceeds for the portion of the production that normally would be attributable to the royalty owner owning the royalty under

the 120 acres that the New Mexico Federal unit companies owned the leasehold estate on, and that were being negotiated about in this case?

A Read that question again.

Q Let me rephrase it, we can save time. The proceeds that would represent the United States Government royalty from the production from this well, where are they at this time?

A We paid the royalty, the full 18 royalty to our royalty owners under that 40 acre tract. We only kept the 7-8 which is the working interest.

Q Do I understand your testimony is that 1-8 of the production from the 160 acres including the 120 under which Uncle Sam owned the royalty, you have paid all that royalty to the royalty owner under your little 40 acre tract? A That is right.

Q Now, Mr. Thompson, Mr. Watts awhile ago testified about some people in the Dallas office that might have the responsibility for filing forms, particularly Form C-104, C-110 and the accompanying plat or plats that are required to be filed in New Mexico with this Commission. Do you have anything to do with those filings?

A Not personally, no, sir.

Q Do you know who in the Dallas office might?

A Well, I would say now that with the exception of possibly some unit or something like that, that would be the responsibility of the man in the field.

Q Do you know whose responsibility that was June 18, 1954?

A You mean about this particular well?

Q Yes, sir.

A I would say that the responsibility for changing the thing

and filing the plat and all in that particular case would be Mr. Davis here.

Q You are talking now about the forms amending it from a 40 acre to 160 acre unit? A That is right.

Q Do you know of your own personal knowledge whether they were ever filed? A No, I do not.

MR. DAVIS: I object to this line of questioning. Maybe I goofed in not filing the forms. I don't believe it has any material effect on the application or the hearing. If we were in error in not filing new amended forms, then I am certainly sorry. It was my responsibility, I will take the full responsibility.

MR. WALKER: You mean if his line of questioning continues. He has already finished and he has answered.

MR. DIPPEL: That is all the questions I have and I so stated.

CHAIRMAN MACEY: Any more questions of Mr. Thompson?

By MR. KITTS:

Q To your own knowledge, when did Continental make a request or demand of a share of the proceeds of production?

A That was in September 29, 1955.

MR. KITTS: That is all.

CHAIRMAN MACEY: Does anyone else?

By MR. GURLEY:

Q Under this agreement, Mr. Thompson, had the agreement been consummated, where would the royalty interest have been paid over the 160 acres?

A You mean after the agreement had gone into effect?

Q First I will say would the agreement have been retroactive?



A No, sir. The agreement was to go into effect on the date that this Tubbs well was connected to a pipeline, which was to be dually completed, which it hasn't been yet.

Q You were to pay the royalty out of the 160 acres to the royalty owners under the 40?

A We had no discussion about the royalty at all. Perhaps, well, what we did, we just continued paying the same royalty owners that we had already been paying under the Drinkard royalty.

Q Is it your testimony that you then paid the royalty owners under your own 40 acres?

A That is right.

Q The allowable that you were taking for 160 acres?

A That is correct.

MR. GURLEY: That is all.

CHAIRMAN MACEY: Anybody else have a question of the witness?

MR. DIPPEL: Let me ask him about the last two exhibits.

By MR. DIPPEL:

Q Mr. Thompson, I hand you Aztec's Exhibit No. 2 in Case 992, from which you read most of the last paragraph awhile ago.

A Yes.

Q Would you read all of the last paragraph, please?

A It says, "The communitization (pooling) agreement and related papers are now being circulated for signatures of the above-named companies. Since we anticipate that there will be some delay in completing the execution of all of the papers, it is requested that a full 160-acre unit gas allowable be set up for the Aztec Dauron No. 2-C Well retroactively to January 1, 1954, in accordance with, and pursuant to, Order No. R-372-A."

Q Thank you. Now, I hand you what has been marked Aztec's

Exhibit No. 3 in Case 992, which is the letter signed on Continental stationery by Mr. S. V. McCollum dated June 24. You stated awhile ago that that letter was in substance the same as Aztec's letter which is Exhibit No. 2? A That is right.

Q Does this Continental letter which is Exhibit No. 3 also included as the final clause or phrase in accordance with and pursuant to Order No. R-372-A?

A It apparently has the same wording word for word, the whole paragraph.

Q Is it? A Yes, sir.

Q Compare the two last paragraphs and tell me if they are word for word the same.

A "Since we anticipate there will be some delay in completing the execution of the communitization agreement and related papers, it is requested on behalf of Continental Oil Company, Stanolind Oil and Gas Company, The Atlantic Refining Company, and Standard Oil Company of Texas that a full 160-acre unit gas allowable be set up for the said Aztec Dauron No. 2-C well, retroactive to January 1, 1954, in accordance with and pursuant to Order No. R-372-A."

MR. DIPPEL: That's all the questions I have.

CHAIRMAN MACEY: Anyone else have questions of the witness?

By MR. MACEY:

Q As I understand your testimony, you met with the representatives of the Continental Oil Company sometime in February of 1954?

A That is correct. February 19th.

Q Your company rather prepared documents and sent them to Continental Oil Company in March of the same year?

A March 9th.

Q Can you tell me whether there was any correspondence between the two companies between the time you sent the documents to Continental Oil Company and the time you received the communication from them in September of 1955?

A On April 29th there was a follow-up to Mr. E. M. Robinson which was in writing by Quilman Davis.

Q Pertaining to this proposed ---

A (Interrupting) Pertaining to this very thing.

Q Can you tell me what prompted the letters which the Commission received in June of 1954 pertaining to the proposed communitization? I am referring to Aztec's Exhibits 2 and 3. Do you have any knowledge of that?

A I don't exactly know. I am sure Quilman does.

Q In September of 1955 you received some notification from Continental Oil Company pertaining to the proposed deal?

A That is right.

Q Did that deal, was it in effect did, it brought Continental to share in the well the first day of January, 1954?

A That is what the effect would have been.

Q That wasn't satisfactory to your company?

A That is correct.

Q Do you have any further negotiations pertaining to the deal between that time and November of '55?

A Yes, sir, we met between that and November. We met two other times.

Q Without any success whatever? A Without any success.

MR. MACEY: That is all I have.

MR. WALKER: You still have some re-direct?

MR. DAVIS: Yes.

RE-DIRECT EXAMINATION

By MR. DAVIS:

Q In answer to Mr. Kitts' and I believe Mr. Gurley also brought it out awhile ago about a demand from Continental for any payment of gas, actually there has been no actual demand, the nature of it was an attempt commencing on or about September 29th to retrieve the thing retroactive to January 1, 1954?

A That is right. It was not a formal demand.

Q If we accepted the proposal that they came in with in 1955 here, is it true that we would have been conveying them an interest, three-fourths interest in the proceeds of the production plus for no cost other than out of the production, plus money from Aztec to Continental. In other words, what I am getting at, actually we would receive nothing from Continental. They would have received a three-fourths interest in the well plus money based upon their proposal, is that correct?

A That is right.

Q In answer to Mr. Gurley's question a few minutes ago about additional follow-ups after we had had our meeting on February 19, was it your impression that after the letter of Aztec on June 18, and the subsequent letter of Continental on June 24, was there any need for additional follow-ups? It was in their hands, was there any need to continue to follow it up?

MR. DIPPEL: I can't see how the conclusion of this witness could have anything to do whether this is a fact or not. It is just his best guess. We will be here this time next week if we are going to go into those things, whether there was a need for anything further or not.

CHAIRMAN MACEY: Would you read the question?

(Question read.)

CHAIRMAN MACEY: I think your question, Mr. Davis, definitely calls for an opinion. You may be able to restate it to satisfy Mr. Dippel and the Commission.

MR. DAVIS: Mr. Macey, all I was attempting to do was to clear up any implications that might have been arrived at from Mr. Gurley's question about continued follow-ups. In other words, I am simply trying to prove by this witness, or ask him whether there was any need for additional follow-ups after these letters were written.

MR. DIPPEL: I have no objection to his testifying whether he thought there was or not, because that doesn't amount to anything.

CHAIRMAN MACEY: Would you state the question so that the record will be clear on exactly what you are saying.

Q Mr. Thompson, do you feel there was any need for additional follow-ups, or there was any need for additional follow-ups?

MR. DIPPEL: I am going to object to the last part, as to whether this, or as to whether there was actually any need I do object, as to whether this witness thought there was any need.

MR. DAVIS: I thought I was asking Mr. Thompson if he thought there was any additional follow-ups.

MR. DIPPEL: He added, and whether there was any need or not.

MR. DAVIS: Well, I have changed it now.

CHAIRMAN MACEY: Is the question, do you feel there is any need for any additional follow-up? Did you feel that there was any?

A I would like to say this, that we did follow it up in September 22, in 1954 in writing to Mr. Robinson at Ft. Worth. After that we felt like that verbally we had done about all that

could be done, so we just dropped the matter.

Q And waited for some reaction from them?

A That is right.

Q In answer to Mr. Dippel's question a few minutes ago about conversations that were had after the February 1954 meeting, I believe you indicated that several of the conversations did relate to the forming of the unit. Let me ask you, did any of them go at all to the trade that we had made in February 19?

A No, sir.

Q Mr. Thompson, Mr. Dippel also raised the question of royalty payments to the United States, is it your opinion that these royalty payments of the United States are the problems of Continental and not of ours?

A I would think so, yes, sir.

Q Mr. Thompson, what would be the effect if there was a cut-back of allowable, first let me ask -- I need to get one matter straight. Please strike --

MR. DAVIS: Would Continental be willing to state, and I am not sure just what your position is on this, whether or not you are objecting to our application for a 40 acre non-standard unit, are you objecting to the formation of that unit?

MR. DIPPEL: We are not objecting to the formation of a 40 acre non-standard unit.

MR. DAVIS: Thank you.

MR. DIPPEL: May I finish?

MR. DAVIS: Oh, excuse me.

MR. DIPPEL: But we are objecting to the formation of that unit without the order authorizing the formation of that unit. also requiring, to be perfectly blunt about it, the shutting in of the

~~well until all of this gas that has been illegally produced has been~~  
made up.

MR. DAVIS: If the Commission please, we feel again that the question of the cutting back of this well would be a matter of a separate hearing. We would like to ask the ruling of the Commission. Whether or not we would object to any consideration for shutting in the well --

MR. DIPPEL: Mr. Chairman, may I state that Aztec has raised that very matter by the language of their application when they asked that it be made effective November 1, 1955. There is going to have to be some cutting back on the allowable and shutting in to make it up even to that. Apparently they are of the opinion it has been over-produced since that time.

MR. DAVIS: We are not of the opinion that it was over-produced at all. We do feel that we had due notice that Continental had made a decision to terminate the agreement, and that happened or started September 29, we continued these negotiations, or continued conferences with them and we finally were certain that they considered the unit no longer in effect and that prompted our application. And since November 1 was the closest date to a certain decision on our part that Continental had decided that the unit was no longer in effect, prompted us to make the application effective that date. We certainly didn't have in our mind at all that the well was over-produced.

MR. DIPPEL: I am sorry to be bobbing up and down so much, but since this question has been raised at this point, and if there is any possible chance of a doubt in the minds of the Commission to what the answer to Mr. Davis' question is, I would like to call the ~~Commission's attention to certain things that we think make the~~

answer very clear and that is that this Commission, unless it is going to abandon its duties and obligations under the act creating the Commission and defining its duties and powers, it can't legally authorize this 40 acre unit and grant this well an allowable and let it produce from the effective date of the Commission's order saying that the application for this 40 acre unit is approved, allowing it to produce on a 40 acre allowable, if the application is granted as made effective November 1, 1955, without requiring this well to make up the production dating back to January 1, 1954, which it has been producing on the basis of 160 acre allowable, which 160 acre unit by their application and by their testimony, is shown to have never existed.

Therefore, that gas which would be attributable to the 120 acres owned by the New Mexico Federal Unit companies was illegally produced by Aztec. The duty is clear, and I don't have to call the Commission's attention to the fact that the Commission's duty among others, is to protect the correlative rights of the owners of the properties involved. The only way this Commission can protect those correlative rights is to enter an order requiring that all of this illegal production be made up. I think it is so clear there just can't be any question about it. I have found nothing in the rules or regulations or statutes that says that any operator has the right to produce somebody else's gas, and the Commission will sanction it.

MR. CAMPBELL: I haven't popped up. May I make a statement on this motion?

CHAIRMAN MACEY: Yes, sir.

MR. CAMPBELL: It appears to me that this question here has gotten far beyond the application. The proposition of what the



arrangements may have been between Continental and Aztec, the possibility that Continental may have made a bad deal, the question of the distribution of the 160 acre allowable during this period of time that the Commission felt, and Aztec felt, even though Continental may not have, that there was 160 acre unit and that the pooling had been agreed to, is a question entirely apart from the Commission, and any accounting for that should be done in a separate proceeding and a separate action in the Courts possibly, for an accounting. The only question that appears to me is whether or not by Continental sending the Commission a letter June 24, 1954, stating that they had agreed to pool, the Commission was authorized and goodness knows it has done it in hundreds of cases, to grant that allowable until they knew otherwise. As soon as they knew otherwise after being advised by Aztec, they are being requested to reduce it to 40 acre allowable. What happens to the production, or what the agreement between the parties during that interim period is between the parties, it would be grossly unfair in this hearing for the Commission to consider in its order any attempt to reduce the allowable during that period. The Continental was really interested to have it retroactive from January 1st, 1954 on their deal, but they are not willing to have it be that way now.

MR. DIPPEL: I would like to call the Commission's attention again to the fact that Aztec's Exhibits 2 and 3 and Exhibit No. 3 is the Continental letter of June 24, 1954, that letter concludes by requesting 160 acre unit gas allowable be set for the said Aztec well, retroactive to January 1, 1954 in accordance with and pursuant to Order No. R-327-A. Order 327-A contains Rule 11, no, Rule 12, under the heading of Granting of Allowables, "No gas well shall be

given an allowable until Form C-104 and Form C-110 have been filed, together with a plat showing acreage attributed to said well, and the location of all wells on the lease". I submit there is no proof that they have ever filed those forms or that plat. Therefore, regardless of what the allowable schedules might show, as a matter of law they were never entitled to 160 acre allowable.

MR. DAVIS: If the Commission please, the section that Mr. Dippel just read, I believe is a Commission rule, and I think it is certainly within the jurisdiction of the Commission to waive the rules if they are so desirable. I don't think that is a matter of law.

MR. DIPPEL: I submit that the Commission knows it couldn't do that without a hearing I don't believe. If it did, it did not act in pursuance to Continental's letter of June 24, 1954, because the record will not reflect that the Commission ever notified Continental it was waiving this Rule 12 in Order R-372-A.

CHAIRMAN MACEY: Does the rule specifically state that the allowable should be limited to the amount of acreage attributed to the well on the plat?

MR. DIPPEL: I don't believe it says that. Let me refer to it, it doesn't say that in so many words, but it does say that no allowable shall be granted until Form C-104, Form C-110 have been filed, together with the plat showing acreage attributed to said well, and the locations of all wells on the lease.

It is clear to me that it says that no allowable can be granted for any of the acreage until that form, those two forms and that plat is filed. I submit that any allowable that is carried on the schedule for this well, is, regardless of how it got there, is

an illegal allowable because it is not there pursuant to the Commission's rules. If it is an illegal allowable, all the gas they have produced, we didn't object to their having the 40 acre allowable on their 40 acres in this 160 acre purported to have been unit, but we submit that every cubic foot of gas produced beyond the allowable attributable to 40 acres has been illegally produced. We submit that it is our considered judgment that it is the duty and obligation of this Commission to require them to make up that illegal production.

CHAIRMAN MACEY: Let's take a short recess.

(Recess.)

MR. DIPPEL: I believe I can say very briefly my answer to Mr. Davis' question, if I may be permitted to do so at this time.

CHAIRMAN MACEY: Go ahead.

MR. DIPPEL: That is that we do not object to the granting of the application for the forming of an unorthodox 40 acre unit, but the application requests that it be made effective November 1, 1955, which is necessarily a date that puts into issue the matters that we have been talking about here as are the facts in the case. Therefore, our objection is to the effective date, and it is our contention that on the basis of the facts that have been developed here in this hearing today, the effective date of the granting of this application should be January 1, 1954.

CHAIRMAN MACEY: Mr. Davis, as I understand, you objected to the introduction of any testimony whatsoever pertaining to cutback in allowable, is that correct?

MR. DAVIS: That is right.

MR. KITTS: You objected to the future introduction of any testimony on that?

MR. DAVIS: I asked Mr. Dippel what his position was. I am objecting to the introduction of any testimony with respect to the cutback of the allowable to January 1, 1954.

CHAIRMAN MACEY: We feel, Mr. Davis, it is a pertinent part of the case and we will consider any testimony or evidence along those lines. Does that clarify the situation?

MR. DIPPEL: Yes, sir.

CHAIRMAN MACEY: Do you have any further questions?

MR. DAVIS: I have two more questions to ask Mr. Thompson.

Q In the event this well should be cut back to a 40 acre allowable as of January 1, 1954, what effect would that have on the well?

A It would have the effect of forcing it to be shut in for several years.

Q If that happens, in your opinion would there be drainage by offset wells as to our entire 40 acre tract?

A Well, that would depend on the wells that are around it. I don't believe there are any wells real close to it right now. There is being new wells recompleted all the time.

Q During the period of time it is quite possible there could be new wells?

A Yes.

Q Is it possible there might be drainage from offset wells from the entire 160 that we have been talking about, the northeast quarter, by the existing wells, or an additional well?

A I think that certainly could happen, yes, sir.

MR. DAVIS: I believe that is all.

CHAIRMAN MACEY: Anyone else have a question of the witness?

RE-CROSS EXAMINATION

By MR. MANKIN:

Q You mentioned that there might be no offset, Mr. Thompson, isn't it true that the Shell, Livingston touches the corner of the 40 acres in question, which has the 160 acre unit?

A It might be. I am not familiar with all the Blinebry wells down there. In the recompletion the records get pretty confusing, at least they do in our office.

Q You mentioned several years, would it be six or seven years it would have to be shut in to make up the allowable?

A That is probably true.

MR. MANKIN: Mr. Dippel, I had one or two questions with regard to some questions that I believe you asked him.

Q Mr. Thompson, I understood you to state awhile ago in answer to a question that I think Mr. Macey asked you, he was asking you about the several conversations that were had by various people representing Aztec and Continental. I believe you stated that none of those conversations went to the trade. Am I correct in my recollection?

A That is right.

Q You were referring to such of the conversations as you participated in, I take it?

A That is right.

Q You did not participate in all conversations, did you?

A No, sir.

Q You do not have a record that either you or someone under your direction made of the times and places when conversations took place, do you?

A No, sir.

MR. MANKIN: Thank you.

CHAIRMAN MACEY: Anyone else have a question of Mr. Thompson?

If nothing further the witness may be excused.

(Witness excused.)

CHAIRMAN MACEY: Do you have anything further, Mr. Davis?

MR. DAVIS: No more witnesses. We have a statement to make.

CHAIRMAN MACEY: Mr. Dippel.

MR. DIPPEL: We would like to call Mr. Elvis Utz. I believe he has not been sworn.

E L V I S   U T Z

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. DIPPEL:

Q Will you state your name please?

A Elvis A. Utz.

Q By whom are you employed?

A New Mexico Oil Conservation Commission.

Q What is your official position with the Commission?

A Gas engineer.

MR. DIPPEL: I take it that his qualifications will be accepted?

CHAIRMAN MACEY: Yes, sir.

Q In your position with the Commission, Mr. Utz, are you familiar with the manner in which the Commission prepares and keeps its gas proration schedules and posts the gas production figures by months?

A Generally familiar, yes.

Q At my request have you examined those records?

A Yes, sir.

Q Either yesterday or today?      A Yes, I have.

MR. DIPPEL: Will you identify this as Continental's Exhibit

No. 6?

(Marked Continental's Exhibit No. 6,  
for identification.)

Q Mr. Utz, I hand you a document which the Reporter has marked for identification, Continental's Exhibit No. 6, Case 992. Have you, prior to your being called to the witness stand, examined that document?

A Yes, I have.

Q What is that?

A That is proration schedules from January 1st, 1954 through January 1st, 1956, for southeast New Mexico.

Q Has this document been certified to under the seal of the Oil Conservation Commission of the State of New Mexico by anyone?

A Yes, it has.

Q By whom?

A It has been certified to by W. B. Macey.

Q Under what date?

A 19th of January, 1956.

Q Is the seal of the Commission on there?

A Yes, it is.

Q Has it been sworn to?

A Yes, it has.

Q When and before whom was it sworn to?

A It was sworn to on the 19th day of January, 1956, by Ida Rodriguez, Notary Public.

Q You do not mean that it was sworn to by Mr. Macey before Ida Rodriguez?

A That is correct.

Q In what county and state is she a Notary Public?

A The County of Santa Fe, State of New Mexico.

Q On page one of the certificate in this document, I refer

you to No. 1 which is there described as Order No. AG-1 and Schedule A attached thereto. Will you refer to that order and schedule please? What is Order No. AG-1?

A That is a gas proration order for the period of January 1st, 1954 through June 30, 1954.

Q The gas proration order of what authority? Is that the gas proration order for that period of the Oil Conservation Commission of the State of New Mexico?

A Yes, that is correct.

Q What is Schedule A attached thereto?

A Schedule A is the nominations for January through June 1954 for the gas pools of southeast New Mexico.

Q I refer you to the instrument, or document, numerated as No. 2 in the certificate which is Order No. AG-1-A and the sheet of proration schedules attached thereto. What is Order No. AG-1-A of the Oil Conservation Commission of the State of New Mexico?

A That is the order of the Commission of the supplementary gas proration order for the month of January 1954.

MR. DAVIS: May I interrupt; if Mr. Dippel would explain briefly what he is attempting to prove by this document, perhaps we can stipulate and save a lot of time if he would care to do so.

MR. DIPPEL: I will be glad to state what I am trying to prove. I intend to offer this exhibit in evidence to show what the proration orders and the proration schedules and the allowable schedules of this Commission show with respect to the allowables granted this well, and the production figures charged to the well each month beginning with January 1954 down to the, and including the last month that the Commission has records of. I might add that also included in this exhibit are copies of the Commission



Order No. R-264-A, R-372-A, R-464, R-610, all of which orders in some manner or another pertain to Aztec's Dauren Well No. 2, which is the subject of Aztec's application in Case 992 now on hearing.

MR. DAVIS: Again I would like to enter my objection to the introduction of this type of testimony into the record with respect to the application that Aztec has filed. However, if the Commission feels it should be made a part of the record, we are agreeable to stipulating that this document here is the record of the Commission and the record of its files, and certainly may be incorporated as a part of the record in this hearing, if I am overruled in my objection to the introduction of this and all similar exhibits without identification, not as an exhibit, but as identification as part of the records of the Commission.

MR. WALKER: Are you agreeable to that stipulation?

MR. DIPPEL: No, I am not. I am going to offer it in evidence for all purposes in this hearing. No limited purpose. I think it's admissible to show what the allowables were and what the well produced and what the Commission's orders were with respect to this well.

MR. CAMPBELL: We are not stating that we have an objection to the testimony which has already been stated. What we are saying is that for whatever purpose it is offered there is no reason to go through page by page and thus identify it as records of the Commission. We are willing to stipulate that the document with the certificate attached, represent the records of the Commission in connection with the allowables granted and the production from these wells during the period shown in the docket.

MR. WALKER: Couldn't you make your point instead of

~~identifying it as page by page and put it in your summary as to~~  
your intent and what you want that particular exhibit to show?

MR. DIPPEL: May I ask Mr. Davis a question before I answer yours?

MR. WALKER: Surely.

MR. DIPPEL: Do you know at this time or not as to whether Aztec will object to this entire bound material being received in evidence by the Commission as Continental's Exhibit No. 6 in this case? When I offer it do you expect to object to it?

MR. DAVIS: May we have a minute to examine the certificate?

MR. DIPPEL: Yes, sir.

MR. DAVIS: The position of Aztec in this matter is that we do object to the introduction of this as an exhibit. We don't have any objection, however, to admitting that this is a record of the Commission, but we don't know exactly what its effects is, but if it is a part of the Commission record, it is a record only. But certainly in all these cases the Commission considers not only the record, but all its records. I don't know what we are gaining by putting this additional record of the Commission into the record of the case when it is a part of the Commission files.

MR. DIPPEL: If the Commission please, I am afraid we are fixing to get into some rather fine legal arguments here, which probably won't be entirely appropriate before this Commission. But I should like to assure the Commission that it is our firm opinion that it is very important to Continental Oil Company to offer this material in evidence as its Exhibit No. 6. I am anxious, not only willing, but anxious to do everything I can to help expedite this hearing and cut it as short as possible, but I cannot in the interest

of saving time sacrifice Continental Oil Company's rights in this matter. I must respectfully refuse to do so.

CHAIRMAN MACEY: Mr. Dippel, do I understand that you would like to go through the exhibit step by step and outline everything that is in that exhibit?

MR. DIPPEL: No, sir.

CHAIRMAN MACEY: Do I understand that you wish to offer the exhibit at this time in evidence?

MR. DIPPEL: After I am through interrogating the witness about it I intend to offer it. I do not believe it will be necessary to interrogate the witness about every separate order and every separate schedule in here. It is not my purpose at this moment to do so. The events may develop that might make it necessary for me to do that. I do not intend at this moment to take up every sheet of paper and ask him about it.

MR. GURLEY: His offer of agreeing to stipulate if his objection is overruled, is that agreeable to you to stipulate as to the contents of the subject matter there?

MR. DIPPEL: As I understand the stipulation that I am asked to consider agreeing to, I can't agree to it. I do not, however, want to be understood in declining to agree to it as contending that every sheet of paper in this file is not officially on file in the Commission. It is. I shall offer it to be received in evidence as such, but there are certain items of information in here that I think it is imperative that I interrogate this witness about so that it is called to the particular attention of this Commission at this time so that the Commission will have its memory refreshed about these records before it is called on to make a decision as to what it

should do with respect to this application. It may well be that somewhere down the road we may find it very important to have preserved this point right here.

MR. WALKER: Do you put this forth as an objection?

MR. DAVIS: We withdraw our agreement to stipulate.

MR. WALKER: We are right back where we started from.

(Questions resumed by Mr. Dippel)

Q Mr. Utz, let me ask you this question in the hopes that we can kind of short circuit this thing a little. Have you examined the material that has been identified here as Continental's Exhibit No. 6 sufficiently carefully so that you can state whether or not there is included within this certificate a copy of every proration order and every proration schedule, and every allowable schedule of this Commission for each month beginning with the month of January 1954 down to and including January 1956?

A I believe I could do so in about two or three minutes.

Q I stand corrected. Mr. Campbell corrected me. The certificate states, Mr. Macey certifies that, "I do further hereby certify, after diligent search of the records of said Oil Conservation Commission, that the above described are all of the orders, allowable schedules and proration schedules that have been adopted by the Oil Conservation Commission of the State of New Mexico affecting Aztec Oil and Gas Company's Dauron Well referred to in Case No. 992 on the January, 1956, docket of the said Commission located in the Blinbry Gas Pool in the NE/4 NE/4 of Section 10, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the period from November 10, 1953, to January 18, 1956, both inclusive."

Have you examined this material to see whether it includes every

proration order, every proration schedule, and every allowable schedule of this Commission which deals with the allowables and production of this well for the period certified to?

A I have not examined it that closely, no.

Q I believe we were down to Order No. AG-1-B. Is that the Supplementary Gas Proration Order of this Commission for the month of January 1954?

A It is not, it is February.

Q I am sorry, February 1954. A Yes.

CHAIRMAN MACEY: Would it expedite the matters if Mr. Utz did examine it so that he could testify about it?

MR. DIPPEL: It might.

A I will be glad to do so.

CHAIRMAN MACEY: Why don't we take a few moments and do that?

MR. DIPPEL: Fine.

Q Mr. Utz, have you made the examination suggested by Mr. Macey? A Yes, I have.

Q Are you now prepared to answer the question as to whether or not it does contain those orders and schedules?

A Yes, I am, and it does.

Q Mr. Utz, I ask you to refer to the item numbered "7" there which is Order AG-1-F. Will you find that order in that material, please? A Yes.

Q Will you turn Order AG-1-F over on the reverse side and look at numbered paragraph three in parenthesis on that order? Did that paragraph read, "A proration schedule, duly prepared by the Commission and thereafter adopted for the month of June, 1954, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas

pools listed above for the period stated, in accordance with the Rules and Regulations and Orders R-368-A through R-376-A, inclusive."?

A That is what it says.

Q Will you refer to that proration schedule attached to that order, please? Will you find Aztec Oil and Gas Company Dauron Well 2-A on there please?

A Yes, sir.

Q What does that schedule show as to whether or not that well had an April net allowable?

A It had a negative allowable of 52,149.

Q What does that mean? Those figures are minus 52,149?

A That is correct.

Q What does that indicate?

A It indicates the well is over-produced by that amount.

Q Does that schedule show a column headed "Over", and does it in that column opposite this well show a figure?

A Yes, it does. 68,050.

Q Is that the over-production of the well as of the time the schedule was prepared?

A Yes, it is.

Q Does that schedule have a column labeled "May Net Allowable"?

A Yes, it does.

Q What does it show the May net allowable?

A Negative figure of 67,488.

Q Does it mean that it is that much over-produced?

A That is what it means.

Q Does that schedule also have a column headed "Date First Allowable"?

A Yes, it does.

Q Does that column so headed have anything in it opposite this well No. 2-A?

A It has "S. I." in parentheses.

Q I will ask you to refer to the upper left-hand corner of that schedule and tell this Commission whether or not it explains what S. I. means. What does it state there?

A "S. I. means that the well is over produced beyond the allowed tolerance and must be shut in". That is a notation.

Q Will you refer to, it is Item 9 on the certificate, will you refer to Order AG-2-A?

A Yes, sir.

Q What is that order?

A That is the Supplementary Gas Proration Order For the Month of July, 1954.

Q Does that order on the second page thereof have the same paragraph three in parentheses saying a proration schedule is attached and made a part of it, as the proceeding Order AG-1-F had that you just testified about?

A Yes, it does.

Q Will you refer to that schedule attached to this Order AG-2-A and find Aztec Oil and Gas Company's Dauron Well 2-A on there please?

A Yes, sir.

Q What does the column headed "Over" on that schedule show with respect to this well?

A It shows an overage of 5,886.

Q What does it show in the column labeled "Units Net Allowable" opposite the well?

A Negative allowable of 3,178.

Q What does it show opposite this well in the column labeled "Date First Allowable"?

A It has S. I.

Q The same S. I. as appeared on the schedule attached to Order AG-1-F with the explanation in the upper left-hand corner

that this "means that the well is over produced beyond the allowed tolerance and must be shut in"? A It does.

Q The next is Item 15, no, next is Item 24. Will you refer to Order AG-4-2? A AG-4?

Q AG-4. A Dash 2?

Q Yes, sir. A Yes, sir.

Q Will you state whether or not that is the "Supplementary Gas Proration Order For the Month of August 1955"?

A It so states.

Q Will you refer to numbered paragraph three in parenthesis on the backside of that order and see if it has the same language as the other that you testified about to the effect there is a proration schedule which is made a part of the order?

A Yes, it has.

Q Will you refer to that attached schedule and find out this well, Aztec Dauron 2-A, 2-B, or 2-C, however it is shown? What does that schedule show in the column headed "Over", with respect to this well?

A It shows an overage of 37,393.

Q Will you refer to the column headed "July Net Allowable" and state what it shows?

A It shows a negative allowable of 26,332.

Q Will you refer to the column headed "Date First Allowable" and see whether or not it has anything in it opposite this well?

A It has the same S. I.

Q Meaning the same thing? A Correct.

Q Will you refer to the next Order AG-4-3. That is Item 25.

A Yes, sir.



Q Is that the "Supplementary Gas Proration Order For The Month of September, 1955"?

A It is.

Q Will you refer to numbered paragraph three in parenthesis on it and see if it reads the same as the several proceeding orders you have just testified about?

A Yes, it does.

Q The purport of that is that there is attached a proration schedule which is made a part of the order, is that right?

A That is correct.

Q Will you refer to that proration schedule that is so attached and find the Aztec Dauron No. 2 well?

A Yes, sir.

Q What does that schedule show in the column labeled "Over" opposite this Aztec well?

A It shows an over production of 40,921.

Q What does it show in the column labeled "August Net Allowable"?

A Negative allowable of 22,605.

Q What does it show in the column "Date First Allowable"?

A S. I. in parenthesis.

Q With the same note in the upper left-hand corner saying what that means?

A That is right.

Q Will you refer to the next Order AG-4-4?

A Yes, sir.

Q Is that the "Supplementary Gas Proration Order For the Month of October, 1955"?

A It is.

Q Will you refer to the reverse side and see if it has the same paragraph stating that it has a schedule which is attached and made a part of the order?

A It has.

Q Will you refer to it and find the Aztec Well in question?

A Yes, sir.

Q What does that schedule show opposite that Aztec well in the column labeled "Over"?

A 36,506 over production.

Q What does it show in the column labeled "September Allowable" opposite that well?

A Negative allowable of 19,241.

Q What does it show in the last column, column "Date First Allowable" opposite this well?

A S. I. in parenthesis.

Q It doesn't, however, have the explanation in the upper left-hand corner?

A No, it does not on this page.

Q Will you refer to Order AG-4-5, the next order?

A Yes, sir.

Q Is that the "Supplementary Gas Proration Order For The Month of November, 1955"?

A It is.

Q Will you refer to the reverse side and see if it has the same paragraph three in parenthesis? There is a proration schedule which is made a part of the order?

A It does.

Q Will you refer to that schedule and find the Aztec well in question? What does that schedule show opposite the Aztec well Duaron No. 2-A?

A 27,946 overage.

Q What does it show in the column labeled "October Net"?

A Negative of 8,680.

Q What does it show in the column "First Allowable" opposite the well?

A S. I. in parenthesis.

Q It does not have the explanation in the upper left-hand corner.

~~Will you refer to the next Order AG-4-6?~~

A Yes, sir.

Q Is that the "Supplementary Proration Order For The Month Of December, 1955"?

A It is.

Q Does it have the same paragraph No. 3 stating in effect that there is an attached proration schedule which is made a part of the order?

A Yes, it does.

Q Will you find that schedule attached and find on it the Aztec well in question?

A Yes, sir.

Q What does that schedule show opposite that well in the column labeled "Over"?

A 23,989 overage.

Q What does it show opposite the well labeled "November Net Allowable"?

A Negative of 1,798.

Q What does it show opposite that well, column "Date First Allowable?"

A S. I. in parenthesis.

Q But it doesn't have the explanation in the upper left-hand corner?

A No, sir.

Q Have you examined the monthly proration orders in this file, and those orders commence with the orders effective for the month of January 1954 and go down to and including January 1956, to see whether or not this Aztec Dauron Well No. 2, the subject of Aztec's application in Case 992, has ever during any one month or any several months produced no gas whatsoever, indicating that it has been shut in?

A No, it has not.

Q Have you made an examination for that purpose of the records of the Commission?

A Yes, I have.

Q Do you have before you a copy of what is generally referred

to as a ledger sheet?

A I do.

Q Would the information on that ledger show that if that were a fact that the well in any one or more months produced no gas whatsoever?

A The ledger sheet has been checked against the proration schedule and it would so show.

Q Do either the schedules or the ledger sheet reflect the fact that in any one or more months the well produced no gas, indicating it was shut in because of over production?

A It hasn't been shut in according to the production record.

Q While we are on the subject, have you examined the well file or any other files of the Commission, in which there would be on file reports, if any are required, indicating that the well has been shut in?

A I have examined the well file and the proration schedules, and I have found no, nothing that indicates that the well has been shut in, no.

Q So, could you then say in effect that as far as you are able to ascertain from the records of this Commission, the well has never been shut in because of over production?

A Yes, I can.

Q Mr. Utz, can you say whether it is a fact or not that the allowables shown on the schedules in the documents that have been marked for identification as Continental's Exhibit No. 6 now before you, that those allowables were based on a 160 acre unit or not? May I clarify my question? It could cause some confusion. Accepting the fact that there was an adjustment made at some time in 1954 to adjust those allowables schedules to show that there had been a change

in the allowables from a 40 acre to 160 acre or some other size unit basis, are the allowables that you have testified about awhile ago, and the production figures indicating over production, are they based on an allowable on 160 acre basis after adjustment?

A I believe the figures that I testified to here from January through June 1954 indicate a 40 acre allowable. But the adjustment was made in June to 160 acre allowable. I believe that would show on the July schedule.

Q Maybe I can clarify it by asking you this question ---

A At any rate, the net status would show from January through December '55 the allowable on 160 acre basis.

Q That is what I was trying to ask you.

MR. KITTS: January when?

A January 1954 through December 1955.

Q So that referring once more to Order No. AG-4-2 in that file, which I believe is for the month of August --

A Dash four dash two?

Q Yes, sir.

A Yes, sir.

Q What month is that for?

A August '55.

Q Referring to the schedule attached to that order, the over production indicated on that schedule and the S. I. appearing in the last column over there, those figures are based upon an adjusted allowable all the way back to January 1, 1954 on a 160 acre basis, are they not? Those over production figures couldn't be with respect to a 40 acre unit could they?

A No, they reflect the supplemental allowable issued back to January '54.

Q And show the status of the production or over production in

allowables as of that month covered by that order on the 160 acre basis?

A That is correct.

Q From the month of August, 1955 as reflected in Order AQ-4-2, from that month through the month of September, October, November and December, all of the allowable and production figures shown on the schedules attached to the orders for those months are based on 160 acre allowable, is that right?

A That is correct.

Q Is it or not a fact then that at all times from January 1, 1954 through December 1955, on 160 acre allowable basis, this well has been over produced at all times and still is as of the close of December 1955? Is that a fact or is it not? Let me withdraw the question. My associates tell me I am in error that it was not over produced the first four months of '54.

A That is right.

Q I will rephrase my question and ask you if on 160 acre basis, beginning with the month of May 1954, it has at all times and each month, been over produced?

A Yes, it has.

Q Just for the purpose of completing the identification of what's in this exhibit, Mr. Utz, I will ask you to refer to what appears in the certificate as Items 1 through 34, the Order R-264-A, what does Order 264-A purport to be or cover?

A That is an order of the Commission for the application of the Oil Conservation Commission upon its own motion for an order designating, naming, defining and extending the gas pools of Lea, Eddy and Chaves Counties, New Mexico.

Q The date of the order is November 10, 1953?

A That is right.

Q Refer to the next Order R-372-A.

A Yes.

Q Is that order also dated November 10, 1953?

A Yes, sir.

Q Will you tell the Commission what that order purports to be?

A It is an order of the Commission upon the application of the Oil Conservation Commission on its own motion for all operators and interested parties in Blinebry Gas Pool to show reason why the rules and regulations in Order R-356, with any essential amendments, should not be put into effect.

Q Will you refer to the next order, Order R-610, is that order dated April 11, 1955?

A Which order?

Q 610.

A The next one is 465.

Q R-464. Is that order dated May 27, 1954?

A Yes, it is.

Q It is an order in effect clarifying and revising the vertical limits of the Tubb and Blinebry Pools and requiring -- state what it purports to be?

A Yes, it is an order of the Commission upon the application of the Oil Conservation Commission of New Mexico upon its own motion for an order, one, outlining the procedure to be followed in the stage of separation of gas and distillate in the Tubb and Blinebry Gas Pools; outlining the metering requirements of gas produced from the Tubb and Blinebry Gas Pools; and three, clarifying and revising the vertical limits of the Tubb and Blinebry Gas Pools.

Q Will you refer to the next Order R-610?

A Yes, sir.

Q Bearing date of April 11, 1955?

A That is correct.

Q What does that order purport to cover?

A It is an order of the Commission upon the application of the Oil Conservation Commission on its own motion for an order amending, revising, and abrogating the existing rules of the Oil Conservation Commission and/or promulgating rules and regulations relating to gas pool delineation, gas proration and other related matters affecting or concerning the Blinebry Gas Pool, Lea County, New Mexico.

MR. DIPPEL: Continental offers what has been identified by the Reporter as Continental's Exhibit No. 6 in Case 992, in evidence.

MR. CAMPBELL: May I see it please? If the Commission please, we object to the introduction of Continental Oil Company's Exhibit No. 6 insofar as it is offered for the purpose of questioning the validity of the Commission's prior allowable orders, or for the purpose of establishing any equities as between the parties. We have no objection to it insofar as it reflects the net position of Aztec Oil and Gas Company as to their well involved in this case as of November 1, 1955, which is the date on which we seek to have the 40 acre unit established. Other than that we consider it to be immaterial to this case because the Commission order establishing 160 acre allowable and granting it through all these months is not a subject of the call of this hearing.

We recognize that if we are over produced as on the date that we seek to have this 40 acre unit established, the Commission may and is obliged, I think, to charge us with our net over production commencing as of that date, but that is an entirely different matter than invalidating the 160 acre allowables all during these previous months back to January 1, 1954, if it is offered for the purpose of



accomplishing that. We do not object to it as to the net position as of November 1, 1955.

CHAIRMAN MACEY: Your objection is overruled and the Commission will accept the exhibit. Do you have anything further?

Q Mr. Utz, I hand you what has been identified by the Reporter as Aztec's Exhibit No. 2, Case 992, which is the letter on Aztec's stationery dated June 18, 1954, addressed to the Commission, requesting the 160 acre allowable retroactive to January 1, 1954, and concluding with the statement that the request is made that this be done "in accordance with, and pursuant to Order No. R-372-A". I also hand you what has been identified as Aztec's Exhibit No. 3 in Case 992 which is the letter of June 24, 1954 from Continental to the Commission likewise requesting the 160 acre allowable retroactive to January 1, 1954 and also concluding with the statement that the request be granted "in accordance with and pursuant to Order No. R-372-A". Mr. Utz, I now ask you to refer to Continental's Exhibit No. 6 in Case 992 and to Order No. R-372-A, and I ask you to refer to Rule 12 of that order reading as follows:

"Rule 12. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease".

Now, Mr. Utz, I wish to ask you, have you examined the files of the Oil Conservation Commission of the State of New Mexico for the purpose of trying to find a Form C-104 and a Form C-110 and a plat attached to either or both of them showing the information called for in that Rule 12 of Order R-372-A which may have been filed pursuant to, or subsequent to, or in connection with the letters

that I have just shown you which are identified as Aztec's Exhibits 2 and 3, requesting the granting of 160 acre allowable in accordance with said Order R-372-A? Have you made such an examination of the records?

MR. CAMPBELL: If the Commission please.

CHAIRMAN MACEY: Have you made such an examination of the record?

A I would like to look at the well file again insofar as the 110 and 104 is concerned.

MR. DIPPEL: Have you got those, Mr. Macey?

CHAIRMAN MACEY: I might, say those are exhibits.

A The plat in the well file shows 40 acres to be dedicated to the well.

Q Which is the plat?

A That is Exhibit 2, Continental's Exhibit 2. There is no plat for 160 acres.

Q What is the date of Continental's Exhibit 2?

A It's November 30, 1953.

Q That is not a plat that could possibly have been filed by anybody in connection with or shortly prior to, or subsequent immediately, or immediately subsequent to the letters identified as Continental's Exhibits 2 and 3 which are the applications of Aztec and Continental for 160 acre allowable, and which applications were filed sometime in June, 1954, could it, having been filed in '53?

A I wouldn't think so.

Q I refer you to Continental Exhibits 3, 4, and 5 just handed to you, and ask you to state whether or not they show the date when they were received in the Commission offices?

A They were all received March the 3rd, 1953.

Q And March 3rd, 1953 was prior to June 1954, wasn't it?

A Yes, I believe it was.

Q Have you examined the well file for the purpose of determining whether or not a Form C-104, a Form C-110, and a plat or plats attached to either or both of them showing the information called for by Rule 12 of Order R-372-A for the purpose of determining whether such plat or plats and forms have been filed by Aztec in connection were immediately prior to or shortly subsequent to the June 1954 letters asking for 160 acre allowable retroactive to January 1, 1954?

A Yes, I have. I find none.

MR. CAMPBELL: I want to make a record on this question. Just a minute. I want to make a record on this question. We want to object to that question on several grounds for record purposes. In the first place the witness has not testified that there is any requirement in Order R-372-A that an amended plat is needed to be filed if unit has expanded or contracted. In the second place it is our position in connection with all this testimony in connection with the allowable order in the past that they are objectionable for two reasons, one of which I have stated. One of them is that they are immaterial to this case and that they are not within the call of this hearing. The other one I want to raise is that they are collateral attacks upon allowable orders of the Commission which will be duly issued, to which no objection has been taken by Continental Oil Company.

We want the record to show that we object to this testimony for that reason, and particularly we object to this question in that

the witness has not testified that amended plats are required. He has testified that the forms 110 and 104 were filed.

MR. DIPPEL: I will withdraw the question.

Q Have you examined the records of the Commission for the purpose of ascertaining whether Aztec Oil and Gas Company or somebody from Southern Union Gas Company acting for Aztec, has, at any time since January 1, 1954 to this date, filed a Form C-104, a Form C-110 with a plat or plats attached to either one, which plat or plats would show the information that is referred to, whether required or not, but referred in Rule 12 of Order R-372-A? Have you made such an examination to see if those filings have been made?

A Yes, I have.

Q Have you found any such Form C-104 or C-110 or plat or plats on file showing that 160 acres have been assigned to this Dauron No. 2 well by Aztec?

A They have not been filed insofar as our records are concerned in this office, the Santa Fe office, or the Hobbs office.

MR. DIPPEL: I believe that's all.

CHAIRMAN MACEY: Any further questions?

MR. CAMPBELL: The Commission rule on the record does show that I have objected to any testimony with reference to the validity of the allowable orders referred to during the period from January 1, 1954 to November 1, 1955, and to any testimony with reference to over production or under production during that period except as to the net result on November 1, 1955. Those are my objections. I want to be certain that the record shows those and that they have been apparently overruled by the Commission.

CHAIRMAN MACEY: Let the record show that we overruled

the objection, Mr. Campbell. Do you have any questions, Mr. Davis?

CROSS EXAMINATION

By MR. DAVIS:

Q Referring to your ledger sheet there on production of the Dauron Well, I am talking about the monthly production figures now. Do you show a constant production from that well month by month from January 1, 1954 through, what is this period here, is that through November or October? A This is through November.

Q Do you show a constant monthly production figure on that report? A No, sir.

Q Well, then, would you point out some of the months where the production has been apparently curtailed?

A Any months --

Q Well, starting with a larger one. You started out with a larger production. Then where, from the 35,853 M.C.F. in January, do you have some months on there where that has been curtailed to, oh, two-thirds or half or below?

A Yes, the month of May was only 18,313 and the production progressively became smaller down to October 1955 in which it was 8,705 again in November. I am sorry, I made an error, in September 1955 it was 8,705, went up in October to 15,000, and in November to 16,000.

Q Now, Mr. Utz, based upon those production figures, is it not possible that well could have been shut in for a portion of the month although it certainly was not shut in for the entire month?

A It is quite possible.

Q For as, say as many as fifteen days or a portion of the month it was shut in?

A The production was curtailed, whether it was shut in or by virtue of high line pressure--

MR. DAVIS: That is all.

A I don't know.

CHAIRMAN MACEY: Anyone else?

MR. DIPPEL: I have one with respect to what Mr. Davis inquired about.

RE-DIRECT EXAMINATION

By MR. DIPPEL:

Q The same months that Mr. Davis inquired of you about, just now, what does the ledger show as to constancy of the allowables for those months? Was there any reduction in allowables?

A Yes.

Q Could that possibly have influenced the reduction in production?

A Well, I am looking at the month of May in which the allowable was a little over nine thousand and the well produced eighteen thousand.

Q So it was actually over produced although maybe curtailed, is that right?

A That is correct.

Q Is that same thing true with respect to the other months he asked you about, without going into details month by month, substantially so?

A No, sir. In the month of September the allowable was 17,265, the production was only 8,705.

Q Is there any other month in the same period that he inquired about where that same relationship would be true, smaller production in allowable?

A Not in the same ratio. The production is smaller in October

than the allowable, and again in November.

Q He didn't ask you about those months, did he?

A Well, I made a statement as to the production in November.

Q What about December then?

A We don't have a production figure for December.

Q You are testifying about the months in the year 1955, is that right?

A Yes, sir.

Q Their application for 40 acre allowable was filed during the month of November 1955, wasn't it?

A Yes, sir.

MR. DIPPEL: Thank you.

CHAIRMAN MACEY: Anyone else have a question of the witness?

By MR. MACEY:

Q I am going to hand you, Mr. Utz, Continental Exhibit No. 6 and ask you to turn to Item No. 32 which is identified as Order No. R-372-A.

A Yes, sir.

Q On page 7 of that order, the very last page of the order.

A Yes, sir.

Q Will you read the content of that paragraph and tell me what the date of the gas prorationing in the Blinebry Pool started?

A Which paragraph?

Q The first paragraph.

A First paragraph. You want me to read it into the record?

Q No, I just want you to read it and tell me your idea of that paragraph. When did gas prorationing start in the Blinebry Gas Pool?

A January 1st, 1954.

Q All right. On January 1st, 1954, gas proration schedule for the Blinebry Gas Pool is the well in question, the Dauron No. 2 well

operated by Aztec, is it on that schedule with an allowable?

A Yes, sir, it is.

Q I want you to read Rule 12 of the Commission Order R-372-A. You might as well read the rule in full.

A Rule 12?

Q Yes.

A "No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed together with a plat showing acreage attributed to said well and the locations of all wells on the lease."

Q Will you tell me what date Order R-372 was signed by the Commission?

A November 10th, 1953.

Q Will you examine the well file and tell me whether or not the well file together with the documents that have been removed from the well file for exhibit purposes, whether or not there was a C-104, a C-110, and a gas well plat on file with the Commission's office prior to January 1st, 1954 covering the Blinebry Gas zone on the well in question?

A There is a well plat showing 40 acres on the Blinebry zone, a gas well plat, the C-110 dated February 1953; did you say prior to 1954?

Q Yes, sir.

A States that it is a dually completed well to produce oil, being produced from the Drinkard zone and distillate from the Blinebry zone. Yes, the C-110 covers the Blinebry zone on this particular C-110. There is another C-110 dated February 1953 which states that the authorized transporter is Southern Union Gas Company, the dually completed well, oil from the Drinkard and gas from the Blinebry zone. The Form C-104 which is dated March the 3rd, 1953 covers



gas being produced from the Blinbry zone and oil from the Drinkard zone. It does cover the Blinbry zone.

Q So that on the first day of gas prorationing, Aztec had filed all the documents required under Rule 12, is that right?

A That is correct, for 40 acre allowable.

Q Now, referring back to the proration schedule, what was the size of the proration unit that was assigned the well on the first proration schedule that was issued? A .2540 acres.

CHAIRMAN MACEY: Anyone else? If nothing further, the witness may be excused.

(Witness excused.)

CHAIRMAN MACEY: Do you have anything further?

MR. DIPPEL: Nothing further.

CHAIRMAN MACEY: I presume you have statements you wish to make. Mr. Davis.

MR. DAVIS: I presume we get to close.

MR. DIPPEL: If the Commission please, I should like to call the Commission's attention to the 1949 act of the legislature which is entitled Chapter 168 and which is found in the booklet put out by the Commission here and revised as of January 1, 1953 which sets out the statutes of the State of New Mexico dealing with the powers and duties of the Commission with respect to prorationing matters, and regulation of oil and gas production in the State of New Mexico.

I should like to refer to Section 9 of that act appearing on page 84 of that booklet which says that the "Commission is hereby empowered and it is its duty to prevent the waste prohibited by this Act, and to protect correlative rights as in this Act provided. To that end, the Commission is empowered to make and enforce rules,

regulations and orders, and to do whatever may be reasonably necessary to carry out the purposes of this Act whether or not indicated or specified in any section hereof". Now, the title of the Act which certainly is indicative of its purposes: "Relating to the Conservation of oil and gas, and the protection of correlative rights therein; amending Chapter 72 of the Laws of 1935, as heretofore amended; defining and providing for the prevention of waste of oil and gas; creating an Oil Conservation Commission and prescribing its powers and duties; defining common purchasers and requiring them to purchase oil and gas ratably and without discrimination; providing penalties; creating remedies, including hearing and rehearing before the Commission and Court Review De Novo; and levying a tax on oil and gas for enforcement of this Act."

As stated, one of the powers and duties is the protection of correlative rights. Now, correlative rights are several times defined. They are defined in this statute and they are also defined in the Commission's rules, and the Commission has defined them as "Correlative rights' means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

Next I should like to refer the Commission to Section 4 of the

Act of 1949 which says that "The Commission shall have, and it is hereby given, jurisdiction and authority over all matters relating to the conservation of oil and gas in this State, and of the enforcement of all the provisions of this Act and of any other law of this State relating to the conservation of oil or gas. It shall have jurisdiction and control of and over all persons or things necessary or proper to enforce effectively the provisions of this Act or of any other law of this State relating to the conservation of oil or gas".

I should like next to refer you to Section 13A on page 87, "The rules, regulations or orders of the Commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas or both in the pool, and for this purpose to use his just and equitable share of the reservoir energy". Almost the same language as the definition of correlative right.

I should like to next refer you to Section 13-F on page 88. Section 13-F of the Act of 1949, "After the effective date of any rule, regulation or order fixing the allowable production, no person shall produce more than the allowable production applicable to him, his wells, leases or properties determined as in this act provided, and the allowable production shall be produced in accordance with the applicable rules, regulations or orders."

There is another place in there where a definition of correlative rights is given, but I shall not bore the Commission with referring you to that. I should like to refer you to Order R-372-A which was the gas prorationing order in effect with respect to the

Blinebry Gas Pool on the date, or on the dates that Aztec and Continental in June of 1954 wrote to the Commission and requested that a 160 acre allowable be granted and that it be made retroactive to January 1, 1954 in accordance with the terms and provisions of this Order R-372-A. Rule 12 has been read here several times. The rule says that no gas well shall be given an allowable until these forms and plats are filed. Continental makes no contention that Aztec didn't file forms covering a 40 acre unit and plats showing the 40 acre units and showing the wells on that 40 acres that we don't contend that Aztec did not file those at the time that it was attributing 40 acres to this well. And we make no issue to the effect that they didn't have these forms and plats on file for all practical purposes on the effective date of gas prorationing in the Blinebry Gas Pool, to wit, January 1, 1954.

Our contention simply stated is that if this rule means anything, it has got to mean that there had to be filed the Form C-104 and the Form C-110 and the plat showing the acreage attributed to the well and the wells on the acreage before there can be 160 acre allowable granted to that well. If it doesn't mean that, then the way to fraud is wide open and I do not believe this Commission is going to lend itself to fraudulent practices being perpetrated upon it.

I am not insinuating that Aztec is perpetrating or intending to perpetrate any fraud. I am simply saying that if the Commission is going to interpret this Rule 12 of the Order R-372-A to mean that if Aztec in this case for, let me withdraw Aztec and say operator A is a fraudulent operator, let's make it a real rascal. I do not imply we have one here. I want to make that clear. I have

to exaggerate a little to show what I am really trying to say to you. If it will please you any more, let's say I am the rascal. I have a well on a 40 acre tract, a regular Governmental subdivision 40 acre tract. I file a Form C-104, a Form C-110 and the necessary plats called for by this rule, and I get a 40 acre allowable. Later on with nothing but fraud in mind I came to Mr. Kellahin who owns 120 acres around me, being the other three - forty acres in that quarter section, that my 40 acres is in, and I started talking to him about unitization and I get him to help me induce the Commission to grant 160 acre allowable and they did grant it. I start producing it and I never file these forms and I never intend to sign a contract with him and I didn't sign a contract with him, and finally he gives up and he comes in here and says "that fellow is a rascal". "He has defrauded me, he has taken my gas, and he won't pay me for it". The Commission says, "We are sorry, we will cut him back to 40 acre allowable effective as of a certain date reasonably near the date of the cutting back."

I have taken his gas. I have complied with the regulations of the Commission which have invited me to defraud him. I can't believe that the Commission would aid me in that kind of a thing. If the Commission interprets this rule to mean that in this case because Aztec has filed a 40 acre plat and appropriate Form C-104 and C-110 showing a 40 acre plat and getting a 40 acre allowable, and then they are not required to file the plats, the revised, if you please, forms and plats to show the correct acreage attributable thereto and showing all of the wells on the correct acreage that they are now trying to attribute to it; if the Commission holds that, then I suggest that this rule is a farce and a nullity and a fraud

upon the operators in the business. I don't believe that the Commission has any such intention, and I don't believe that the Commission intends to interpret that rule that way. It is extremely unfortunate, I am quite sure that the gentlemen with Aztec are embarrassed about the situation even as Continental is embarrassed about it. I make no bones about it, we are tremendously embarrassed that we find ourselves in this position. I am embarrassed, but I must be honest and tell you that we have been a little derelict in this thing. We shouldn't have done it; by the same token I think Aztec has been a little derelict too.

I would suggest to the Commission that Aztec, being the operator, probably owed a little greater duty than did Continental and Stanolind and Atlantic and Standard of Texas in calling the Commission's attention to the fact that this communitization has not been consummated for whatever reason it failed of consummation, assuming for the moment that we are entirely to blame for the failure of consummation of the communitization. Nevertheless, there was a greater duty on them as operator and as the person charged with the responsibility of filing the necessary forms to so inform the Commission, than there was a duty on us.

Now, the testimony here shows that Aztec made the approach and suggested that we try to get together. There is no testimony here, and I doubt that anybody can bring any because no records were kept of the conversations, no one thought that this thing would ever wind its weary way down here on this day before this Commission in this sort of a messy situation. We all thought it would be worked out. Well, it wasn't worked out. But here we are today and if this Commission grants the application of Aztec for an unorthodox 40 acre

~~unit and makes it effective November 1, 1955, and allows them a~~  
40 acre allowable effective November 1, 1955 without regard to the production that the well has been capable of producing and which it has produced the quantities of production since January 1, 1954 on not a 40 acre but 160 acre allowable basis, I submit to this Commission that Continental and the other New Mexico Federal Unit companies will have their gas taken by Artec in violation of the obligation. The duty and responsibility of this Commission, if you please, as I see it is to protect the correlative rights of those New Mexico Federal Unit companies.

Now, the legislature has enjoined this Commission to protect those correlative rights. There is an unhappy situation here. How can this Commission discharge its responsibility imposed upon it by the legislature and protect the correlative rights except that it grant the 40 acre unit retroactive effective as of January 1, 1954, which means as sad as it is, that they will have to shut it in until all of this illegal production, if you please, is made up. I say illegal production for the simple reason that unless Rule 12 of Order R-372-A means what I think it means and what I believe this Commission believes it means, that unless those forms and plats are filed an allowable cannot be legally granted, and I believe the Commission will so hold that that is the only way that the Commission can protect the correlative rights of the parties who are members of the New Mexico Federal Unit.

Numerous attempts have been made to consummate this communitization. The Commission has heard here from Mr. Thompson today that several contacts were made. I am not trying to misinterpret his testimony. It is to the effect that they understood that the thing

was going to be done on the basis that, let me not misquote him. Mr. Thompson testified that the agreement was to go into effect when the Tubb well was completed. If the agreement was to go into effect when the Tubb well was completed, that means that their understanding was that effective as of that time these various arrangements about who was going to get what share of the production would be effective as of that time, not being effective retroactive to January 1, 1954. It occurs to me that this is a matter which has resulted from a situation that confronted this Commission at the time gas prorationing was instituted in southeast New Mexico, and which condition the Commission met in a fair and honest attempt to do what was right in establishing gas prorationing and enforcing it, and at the same time assisting the operators all possible in operating their wells and getting their production out of them in a reasonable manner and so that they could comply with their various contract commitments for the sale of that gas. And certainly I do not want Continental to be considered in the attitude here now as trying to criticize the Commission for doing that. On the contrary, I think it is evidence of the fact that we were trying to assist Aztec and the Commission in doing that very thing when we wrote our letter of June, I believe 24, 1954 and suggested that this thing be made a 160 acre allowable retroactive to January 1, 1954.

Now, the negotiations broke down, the testimony that was offered by Aztec would seem to imply that they broke down because we welched on the deal. The words were used, were that we tried to retrade the thing. Well, we never had a deal. I don't believe that this Commission believes, and I doubt that the gentlemen representing Aztec honestly believe that the representatives of Continental Oil



Company who were in that conference that they have testified to, were so stupid, if you please, that Continental's representative thought that Continental could give away their other New Mexico Federal Unit member companies' interest in the proceeds of this gas production on 160 acre allowable, to say nothing of giving away the United States Government's portion of the royalty attributable to that 160 acre production. If we had been that stupid, we couldn't have done it and they should have known it, and they should have told us how stupid we were, if we were so.

I am going to cut my argument much shorter than I thought it was going to be. The Commission has indicated that they would like it to be cut short. I am not going to burden the Commission with a lot of things here that probably aren't going to have a great deal of affect on what the Commission is thinking about this matter. But I, at the risk of boring you with repetition, I feel that I must in all honesty to myself, to the Commission, to my company, and to the other companies that my company as operator of the New Mexico Federal Unit owes an obligation to, again call your attention to the fact that it is our sincere opinion that this Commission not only has jurisdiction of this matter, not only has the power to do it, but I submit respectfully to you that you have the duty to do it. That is to grant their application for a 40 acre unorthodox unit, but not effective as of November 1, 1955, but effective as of January 1, 1954 because the facts produced in evidence by Aztec, the applicants here, in addition to their sworn application which is the subject of this hearing today, showed there never was a communitization resulting in the formation of a 160 acre unit and that in itself proves that they were not entitled to the allowable that we helped

then get. We are guilty along with them in having the Commission unfortunately to grant 160 acre allowable, but we are parties to it. It nevertheless is an illegal allowable and it violates our correlative rights, and I submit those correlative rights must be protected by this Commission. Thank you.

MR. KITTS: I spent Tuesday afternoon in the Supreme Court and they asked a lot of questions of me. I would like to ask about three of you. I think you made it clear that you feel that there never was a 160 acre unit formed, that much is clear in evidence?

MR. DIPPEL: Yes, it is my contention that their application so states.

MR. KITTS: Therefore, any 160 acre allowable is illegal or unauthorized?

MR. DIPPEL: Correct.

MR. KITTS: Let's say the facts have been that somewhere along in the fall of 1954, the communitization agreement, or a communitization agreement had been duly entered into and executed a written agreement. Would that have formed a 160 acre unit?

MR. DIPPEL: Yes, sir.

MR. KITTS: As of the date of the instrument?

MR. DIPPEL: Or as of the date that the instrument in its body provided the date.

MR. KITTS: Which ---

MR. DIPPEL: It would be effective as of the date that the language of the instrument says it is effective. If there is nothing in the body of the instrument, and I just didn't believe that Aztec would enter into an agreement like that, I am pretty sure we wouldn't, that didn't provide for an effective date. Whatever the language

of the instrument said as to its effective date.

MR. KITTS: It wouldn't necessarily, according to your argument, and correct me if I misunderstand you, it wouldn't necessarily be back in June of 1954 or January of 1954?

MR. DIPPEL: It wouldn't necessarily have been so, but if you will permit me, I will suggest to you that it is my firm conviction that if at the time you suggest here we had entered into such an agreement, we would have had it made effective January 1, 1954 because I can state to you without any qualification whatsoever, that Continental Oil Company would never have entered into a communitization that wasn't effective January 1, 1954.

MR. KITTS: Would that be the case irrespective of the provisions of R-372-A that you spoke of, the plat?

MR. DIPPEL: Yes, sir. It would have been so except that I think that there we would have been in technical violation of this rule. But I am not divulging any secrets or rattling any skeletons that when I say everybody was doing it and we would have done it too. That is the way it should have been done. I make no criticism of what the Commission's practice was at that time.

MR. KITTS: But any communitization agreement you entered into, say you had entered into one in the fall of '54 for instance, would have had a retroactive effect?

MR. DIPPEL: Yes, sir.

MR. KITTS: That is all.

MR. CAMPBELL: If the Commission please, I would like to first state that I am extremely pleased at the frequent references to correlative rights in this hearing. I think I probably used that term as much as anybody that has ever appeared before this

Commission. It is one of the first times I have ever heard Continental refer to it. I do want to say that my construction of it has never extended to the proposition that this Commission in its orders is under any obligation to guarantee any operator against his own agreements. The facts of this situation are that Continental voluntarily entered into negotiations for the establishment for a pooling agreement. Two months after the proposed agreement which had this provision in it that Aztec was to get 100 percent of the production until the Tubb well was drilled, two months after that agreement was in their hands, they wrote the Commission a letter on June 28, 1954 and asked the Commission, and said to the Commission "our interests are pooled and we want you to grant an allowable retro-active to January 1st, 1954". The Commission complied with their request and the request of Aztec. How were their correlative rights abused, the allowable then was started at 160 and it has been produced at 160 and Aztec has admittedly taken all the production of the 120 acre tract which was now and will in the Court House be that that was their agreement with Continental, and Continental had the authority to enter into it as far as their partners were concerned. If Continental's rights had been abused, it is their own act if they did it. They have their remedy if they want to go to Court to account with Aztec for the 160 acre allowable. If Aztec doesn't have an agreement such as they think they did, then they certainly owe 120 acres of the allowable back to these people and these people in any event owe the Government. That is between them and the Government. If this Commission enters the order they request, everybody's correlative rights are going to be abused, the well is going to be shut in for seven years in order to prevent drainage of

Governmental royalty, so how are correlative rights to be protected by the entry of their order, and how have any correlative rights been abused by any acts of the Commission?

Any correlative rights that have been hurt, they had the remedy in Court on the contract with Aztec, that Aztec says was entered into, and they can sue Aztec in the Court House, but the remedy isn't in that form for that kind of proceeding.

Just a moment on this question of filing of plats. The requirement for the filing of a plat in my judgment is for the benefit of the Oil Conservation Commission and its records. How can these people say that a pool wasn't effective because the plat wasn't filed, whether they wrote the Commission a letter themselves and said that the pooling had been accomplished, they are now when it was to their advantage to get the acreage attributed to get this agreement under way, it was a great thing to take some of the production from the Aztec well, or at least start the thing on the road to where they could get the production. When that didn't work out they now say that because a plat was not filed, a pooling area was not established. I think that is for the benefit of the Commission. This can't show they were harmed because they had full advantage. If the Commission sees fit, even if it were required by the order, I think the Commission under those circumstances is perfectly right in waiving it if they should see fit.

As a matter of fact, as I recall, most of those orders they are actually for the benefit of the operator. If the operator had a tract on January 1st of the year the order went into effect and he filed his plat of the proration estimate sometime before July 1st they could retroactively grant him the allowable, if he could advise the

Commission that the rest of the acreage is in the unit. I don't see where the people can say if you grant a non-standard unit that you are going to hurt their correlative rights. I might suggest to them that the statutes contain provisions for compulsory pooling if they think their gas is being drained, and they can't enter into a voluntary agreement with Aztec to provide for the cost of the well and so forth. The statutes contain provisions which give them protection for their correlative rights in that regard. The Court House is the place to determine the contractual rights under this agreement. The 160 acre allowable was a valid allowable granted by this Commission. It was an allowable granted in order after order over a period of fifteen months from June of 1954 until September of 1955 when Continental advised Aztec that they did not consider that the area had been pooled and those orders we believe were valid orders. What Aztec did with that production depends upon the contract that was entered into, the agreement between Aztec and Continental, and Continental can certainly get their money if they can prove that the contract was other than what Aztec says it was.

It doesn't behoove this Commission to get into that controversy because if they do, they are invalidating their own allowable order which was entered into just like hundreds of others have been entered into. If you check the records you will find instances where Continental had non-productive acreage, was anxious to get an allowable granted at the earliest possible moment on a well in somebody else's acreage within the unit. We urge this Commission to enter its order as of November 1st, 1955, charge us with any over production as of that date on our 40 acre tract. If we have disputes with Continental, and we obviously do, about the disposition of the allowable in the

past under proper allowable orders, there are places to argue it out and this is not the place for it.

MR. KITTS: Is it your view that 160 acre proration unit was formed?


MR. CAMPBELL: It is my view this allowable for 160 acres was validly granted by this Commission. As to whether pooling arrangement was worked out formally between the parties, I don't think that is material. The material question is whether the allowable order was valid. It is my position it was because the parties advised the Commission they were willing to pool their interests.

MR. DIPPEL: We did not so advise the Commission, and the letter will speak for itself.

CHAIRMAN MACEY: Anybody else have anything further? If not we will take the case under advisement and adjourn until 8:30 in the morning.

#### C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 992 were taken by me on January 19, 1956, that the same is a true and correct record to the best of my knowledge, skill and ability.

  
Reporter