

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. 380
ORDER NO. R-181-A

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
ADJUSTING THE ALLOWABLE AMOUNT
OF PRODUCTION FROM THE AURORA
GASOLINE COMPANY, WELL NO. 1,
DAVIS LOCATED IN LOT 4, SECTION
29, TOWNSHIP 18 SOUTH, RANGE 39
EAST, NMPM, LEA COUNTY, NEW
MEXICO, IN THE EAST HOBBS-SAN
ANDRES POOL AND CONFIRMING THE
ADMINISTRATIVE ORDER OF THE COM-
MISSION IN AUTHORIZING THE OVER-
PRODUCTION AND SALE OF OIL FROM
THIS WELL.

C O R R E C T I O N

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on July 15, 1952, at 9:00 a. m. at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 16th day of September, 1952, the Commission, a quorum being present, having considered the testimony adduced at the hearing and being fully advised in the premises,

FINDS:

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

(2) That the Aurora Gasoline Company, Well No. 1, Davis, located in Lot 4, Section 29, Township 18 South, Range 39 East, NMPM, Lea County, New Mexico, in the East Hobbs-San Andres Pool, was originally intended as a test of the Blinbry formation at a depth of 6370 feet and that at a depth of 4462 feet the well blew out.

(3) That at the time the well blew out, a considerable amount of oil was produced into earthen pits and in order to remove this oil to safer storage, to minimize the fire hazard and in order to allow the operator, Aurora Gasoline Company, to test the commercial feasibility of this new reservoir, the well was allowed to produce a considerable amount of oil over and above what it normally would have produced and it been completed in the normal manner.

(4) That as of July 1, 1952, the records of the Commission reflect the following allocation and production for this well:

<u>MONTH</u>	<u>ALLOCATION</u>	<u>PRODUCTION</u>
October 1951	0	6283
November 1951	680	2479
December 1951	1054	1057
January 1952	1581	1862
February 1952	1537	1532
March 1952	1643	1504
April 1952	1590	1620
May 1952	1550	1831
June 1952	1440	1200
TOTAL	<u>11,075</u>	<u>19,368</u>

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(a) That the allocation assigned the well for the months of October 1951, November 1951, and December 1951 should be adjusted so that the correct allocation which should have been assigned the well, based on a 40-acre allowable and a completion date of October 13, 1951, would have been as follows:

October 1951: 1007 barrels; November 1951: 1530
barrels; and December 1951: 1581 barrels

(b) That the total corrected allocation assigned to the well as 7:00 a. m. July 1, 1952, should total 13,459 barrels, which reflects an overproduction of 5909 barrels.

(5) That the reduction of the allowable assigned the Aurora Gasoline Company, No. 1, Davis, in the amount of 10 barrels per day below the normal allowable assigned the well is in the interest of conservation and would protect the correlative rights of offset operators.

IT IS THEREFORE ORDERED:

That the application of the Oil Conservation Commission be, and the same hereby is approved as follows:

(1) That the overproduction of oil from the Aurora Gasoline Company, Davis No. 1, Lot 4, Section 29, Township 18 South, Range 39 East, NMPM, Lea County, New Mexico, in the East Hobbs-San Andres Pool, during the months of October 1951 to June 1952, in the amount of 5909 barrels, be, and the same hereby is authorized.

(2) That the allowable production assigned to the Aurora Gasoline Company, No. 1 Davis, shall be reduced ten barrels per day below the normal top unit allowable as set by the Commission for the East Hobbs-San Andres Pool for a period of 591 days.

(3) That the allowable assigned the Aurora Gasoline Company, No. 1 Davis, should be adjusted for the months of October 1951, November 1951, and December 1951, to show a total allowable for each month as follows: October 1951: 1007 barrels; November 1951: 1530 barrels; December 1951: 1581 barrels.

PROVIDED FURTHER. That this order shall become effective August 1, 1952, and shall continue in force and effect for a period of 591 days terminating on March 15, 1954.

This correction is made and entered nunc pro tunc as of July 30, 1952, for the purpose of correcting certain statistical errors appearing in original order R-181.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

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