Entered Nov. 27, 1956 Q.L.P.

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. 1174 Order No. R-927

APPLICATION OF THE OIL CONSERVATION COMMISSION OF NEW MEXICO UPON ITS OWN MOTION FOR AN ORDER GRANTING EXCEPTION TO RULE 502 I (a) OF THE COMMISSION STATEWIDE RULES AND REGULATIONS FOR ALL WELLS IN THE CAPROCK-QUEEN POOL, CHAVES AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 13, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 27^{th} day of November, 1956, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said 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 viscosity of oil produced from the Caprock-Queen Pool is such as to render it impracticable to produce the wells therein within the 125% daily tolerance established by State-wide Rule 502 I (a).

(3) That the maximum permissible daily rate of oil production for wells in the Caprock-Queen Pool should be increased to 200% of the daily top unit allowable for said pool in order to permit the efficient operation thereof.

(4) That there is no necessity for increasing the monthly tolerance for said pool.

IT IS THEREFORE ORDERED:

1. That all oil wells in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, be and the same are hereby excepted -2-Case No. 1174 Order No. R-927

from the provisions of Rule 502 I of the Commission Rules and Regulations.

2. That the maximum daily rate of oil production for wells in the Caprock-Queen Pool be and the same is hereby established at 200% of the daily top unit allowable for said pool; provided, however, that the monthly tolerance, as established by Rule 502 II of the Commission Rules and Regulations, shall under no circumstances be exceeded.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste or protection of correlative rights.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

71 JOHN F. SIMMS, Chairman

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

SEAL