

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. 55

ORDER NO. 573

THE APPLICATION OF FRED TURNER, JR., FOR
AN ORDER AUTHORIZING A BONUS ALLOWABLE TO
BE GRANTED TO ANY OPERATOR WHO MAKES A
DISCOVERY OF A NEW OIL POOL OR A NEW
PRODUCING HORIZON IN AN EXISTING OIL
FIELD OR AN EXTENSION OF AN EXISTING OIL
POOL BY DRILLING TWO MILES OR MORE FROM
ANY COMMERCIALY PRODUCTIVE OIL WELL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., August 4, 1944,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 6th day of Sept., 1944, the Commission
having before it for consideration the testimony adduced at the hearing of said
case and being fully advised in the premises, the Commission finds:

FINDINGS

1. That the bonus discovery allowable provided for herein is
reasonable and in the public interest in that it tends to foster the discovery
of new reserves to replenish diminished reserves of State and Nation.

IT IS THEREFORE ORDERED:

That the Order herein shall be known as the:

BONUS DISCOVERY ALLOWABLE ORDER

1. That a bonus discovery allowable shall be granted to any operator
who makes a discovery of a new oil pool or a new producing horizon in an
existing oil field or an extension of the discovered portion of a known oil
pool where such discovery is two miles or more from any commercially productive
oil well.

2. That such bonus discovery allowable shall be for one well, over
and above the top unit allowable of the production unit upon which such discovery
well is located, and for an amount of oil in accordance with depth measured to
the top of the producing formation as follows:

Up to	1000'	--	5000 bbls.
1000	- 1500		7500 "
1500	- 2000		10000 "
2000	- 2500		12500 "
2500	- 3000		15000 "
3000	- 3500		17500 "
3500	- 4000		20000 "

and 5 bbls. per ft. of depth below 4000'.

3. That such bonus discovery allowable shall be produced at a
daily rate not greater than the figure obtained by dividing the total bonus
discovery allowable by the number of days in the current year.

4. That such bonus discovery allowable shall be produced within a two year period. Said period shall begin to run with the first sale of oil from said discovery well.

5. A. That application for the bonus discovery allowable provided for herein shall be in quadruplicate upon Form O-102 and shall be accompanied in quadruplicate by the following:

- (1) Necessary production and geological data of such discovery well.
- (II) Plat of area for three miles around such discovery well.
- (III) And in addition thereto where the discovery is in a new producing horizon in an existing oil field, appropriate evidentiary matters in support of such fact.

B. When such application is approved by the Commission, through its Director, two shall be retained by the Commission, one transmitted to the applicant and one to the Lea County Prostration Office.

6. That the Order herein shall be applicable to any such discovery made since June 1, 1944.

7. That the Order herein supersedes any order with which it is in conflict.

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

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN


H. R. RODGERS, MEMBER


JOHN H. KELLY, SECRETARY

(SEAL)