

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. 2348
Order No. R-1638-A

APPLICATION OF THE BRITISH-AMERICAN
OIL PRODUCING COMPANY FOR AN AMEND-
MENT OF ORDER NO. R-1638.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 9, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29th day of August, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 by Order No. R-1638, entered in Case No. 1867 on March 24, 1960, The British-American Oil Producing Company was authorized to institute the West Bisti Pressure Maintenance Project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

(3) That the applicant, The British-American Oil Producing Company, seeks an amendment of said Order No. R-1638 to grant top unit allowables to injection wells in said pressure maintenance project.

(4) That the subject application should be granted to conform the Special Rules and Regulations for the subject pressure maintenance project to more recent orders of the Commission entered in similar cases granting top unit allowables to injection wells.

(5) That the allowable assigned to any well in the project area should be no greater than the demonstrated ability of such well to produce, subject to top unit allowable for the pool. In

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the case of curtailed or shut-in producing wells, the allowable should be no greater than the demonstrated capacity of the well to produce, as reflected by a 24-hour test at a stabilized rate of production immediately prior to such conversion or shut-in or curtailment. In no event should such allowable be greater than the current normal unit allowable for the Bisti-Lower Gallup Oil Pool during the month of transfer multiplied by the well's acreage factor. The allowable assigned to any injection well on an 80-acre proration unit should be top unit allowable for the pool; the allowable assigned to any injection well on a 40-acre proration unit should be one-half the top unit allowable for the pool.

IT IS THEREFORE ORDERED:

That Order No. R-1638 is hereby amended by the substitution of the following Rules 4 and 5 for Rules 4 and 5 contained in the Special Rules and Regulations in said order:

RULE 4. The allowable assigned to any injection well on an 80-acre proration unit shall be top unit allowable for the pool. The allowable assigned to any injection well on a 40-acre proration unit shall be one-half the top unit allowable for the pool.

RULE 5. The allowable assigned to any well which is shut-in or curtailed in accordance with Rule 3, which allowable is to be transferred to any well or wells in the project area for production shall in no event be greater than its ability to produce as determined hereinafter, or greater than the current top unit allowable for the pool during the month of transfer, multiplied by the well's acreage factor, whichever is less. The well's ability to produce shall be determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well shall be produced in the same manner and at a constant rate. The daily tolerance limitation set forth in Commission Rule 502 I (a) and the limiting gas-oil ratio (2000 to 1) for the Bisti-Lower Gallup Oil Pool shall be waived during such tests. The project operator shall notify all operators offsetting the proposed injection well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission, if they so desire. In the event a well is drilled and placed on injection prior to establishing its ability to produce, the allowable for said well shall be determined by the arithmetic average for the producing abilities of the offsetting producing wells at the time said well is placed on injection.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

ESR/