

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

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
ADJUSTING THE ALLOWABLE AMOUNT
OR 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 COMMISSION IN AUTHORIZING
THE OVERPRODUCTION AND SALE OF OIL
FROM THIS WELL.

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 30th day of July, 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 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 had it been completed in the normal manner.

(4) That as of July 1, 1952, this well has overproduced 5920 barrels of oil, as reflected by the records of the Commission.

(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 THEREFOR ORDERED:

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

CASE NO. 380
ORDER NO. R-181

(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 5920 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 592 days.

PROVIDED FURTHER, that this order shall become effective August 1, 1952, and shall continue in force and effect for a period of 592 days terminating on March 16, 1954.

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

S E AL