

1. Commission in quasi-judicial session to set a Proration Order for the Eddy County Fields. ✓
2. Bureau of Mines recommendation for monthly of December is 116,100 barrels of oil per day. It is recommended to the Commission that they set the allowable at 117,200 barrels per day. ✓
3. Application of Phillips Petroleum Company to operate a gasoline plant in the Vacuum Field, Lea County, New Mexico.
4. Request of Sun Oil Company for an exemption from the temporary gas-oil ratio order for their Maveety #5 Well, Monument Field, Lea County, New Mexico
5. Approve minutes of last meeting.
6. Next open meeting of the Commission in January.

COPY

CASE NO. 31-B

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

THE MATTER OF ADOPTING A PRORATION ORDER FOR EDDY
COUNTY FIELDS AND TO CANCEL ORDER No. 27, THE PRESENT
PRORATION PLAN FOR THE ARTESIA-GRAYBURG-JACKSON-MALJAMAR
AREA, EDDY AND LEA COUNTIES.

TRANSCRIPT OF PROCEEDINGS AT THE HEARING
LA FONDA, SANTA FE, NEW MEXICO
NOVEMBER 25, 1941.

Pursuant to order of the Commission, duly made and
entered, setting November 25, 1941, at two o'clock in the
afternoon, for hearing in the above entitled matter, said
hearing was convened at two o'clock, P. M. of November 25,
1941, at La Fonda, Santa Fe, New Mexico, the Commission
sitting as follows:

HON. JOHN E. MILES, Governor of New Mexico, Chairman
HON. JOHN M. KELLY, State Geologist, Secretary
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

D. R. McKeithan	Phillips Pet. Co.	Bartlesville, Okla.
C. A. Daniels	" "	Amarillo, Texas
H. F. Chapman	" "	Odessa, Texas
E. H. Foster	" "	Amarillo, Texas
Edgar Kraus	Atlantic Rfg.	Carlsbad, N. M.
Glenn Staley	Proration Office	Hobbs, N. M.
H. D. Bedford	Gulf Oil Corp.	Roswell, N. M.
Leo Granning	State Land Office	
J. S. Griffith	Humble O. & R. Co.	Roswell, N. M.

The meeting was called to order by Governor Miles, who
requested Mr. Livingston to read the call of the hearing, as
follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested
with jurisdiction as the oil and gas regulatory body of
the State of New Mexico, hereby gives notice of the
following public hearing to be held at the Capitol, Santa
Fe, New Mexico:

Case No. 31-B

The matter of adopting a Proration Order

for Eddy County Fields and to cancel Order No. 27, the present Proration Plan for the Artesia-Grayburg-Jackson-Maljamar Area, Eddy and Lea Counties. This hearing is initiated upon the Commission's own motion and is set for 2 o'clock P. M., November 25, 1941.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting November 3, 1941.

Given under the seal of said Commission at Santa Fe, New Mexico, on November 3, 1941.

OIL CONSERVATION COMMISSION

BY (Signed) JOHN M. KELLY
SECRETARY."

BY MR. LIVINGSTON: The Commission is now ready to proceed, and inasmuch as this hearing is initiated upon the Commission's own motion, I now offer myself to be sworn.

CARL B. LIVINGSTON,

being first duly sworn to tell the truth, the whole truth, and nothing but the truth, testified as follows:

BY MR. LIVINGSTON: If the Commission please, the fundamental purpose of this hearing is to do, in effect, with a permanent order what the Commission has been doing for the last two or three years with emergency orders.

With respect to Order No. 27, which is the Artesia-Grayburg-Jackson-Maljamar proration order: That order was promulgated April 27, 1936, and became effective May 16, 1936. After that order had been in effect a few months, it was discovered that some parts of it, perhaps, were not desirable, and in order to offset those undesirable parts, the Commission promulgated various emergency orders of a temporary nature, in order to see if the desired results would be accomplished.

Order No. 27 contained, among other things, a potential factor, and it was desired that the Artesia-Grayburg-Jackson-

Maljamar Area be placed on the same basis as the rest of the state.

The history of the emergency orders is as follows:

Emergency Order No. 87, effective from November 16th to 30th, 1937. This emergency order was actually effective up to and including December 31, 1937. Thereupon it was discovered that the producing area down in Eddy County had expanded, and that emergency order was renewed at each half monthly proration period. Thereafter the Commission promulgated Emergency Order No. 98, effective from January 1, 1938 to January 15, 1938, and continued it at each half monthly proration period, on each of the successive half months, including April, 1940. Then the Commission had had time to study the matter further, and it became necessary to modify that particular emergency order; so the Commission adopted Emergency Order No. 258, effective for the half month proration period from May 1st to 15th, 1940. This emergency order was renewed each successive half monthly proration period to November 30, 1941, the present half monthly proration period.

That particular temporary order seems to have worked.

Now, a proposed order, to become effective, does, in effect, with a permanent order, what the temporary order, or emergency orders, or series of them, have done over a period of the last two or three years, and to that end the following order is submitted to the Commission.

BY THE SECRETARY: Will you read that order?

Whereupon Mr. Livingston read the proposed order.

BY MR. LIVINGSTON: In other words, the effect of this order is to do away with the old Grayburg proration plan, Order No. 27, and to put Eddy County on the same basis as the state in general, and put it under the general State Proration Order No. 1 and Order No. 45, which modified Order No. 1.

Any questions any of you gentlemen desire to ask?

(No answer)

If not, I presume the witness is excused.

Witness excused.

BY THE SECRETARY: Any further testimony or questions? If not, the Commission will take this under consideration.

(After consultation, the Secretary announced the following:

The Commission adopts Order No. 413, replacing Order No. 27, and succeeding emergency orders, and adopts Order No. 413, a proration order for the Eddy County Field.

Whereupon the Commission adjourned.the hearing.

C E R T I F I C A T E

I hereby certify that the foregoing and attached three and a fraction pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me in Case No. 31-B, at the hearing before the Oil Conservation Commission of New Mexico, on the 25th day of November, 1941, and by me extended into typewriting.

Witness my hand this 28th day of November, 1941.


Esther Barton