

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR JOHN J. DEMPSEY
CHAIRMAN

LAND COMMISSIONER H. R. RODGERS
MEMBER

STATE GEOLOGIST JOHN M. KELLY
SECRETARY



DIRECTOR
JOHN M. KELLY

ADDRESS ALL COMMUNICATIONS
TO THE DIRECTOR

Santa Fe, New Mexico

December 11, 1944

John:

I have gone into this matter. It appears as though the revised plan may have been devised in Washington. Some of the refinements, I fear, are more theoretical than practical and I wonder if the operators' committee and the operators really have taken this plan apart and fully understand it.

I doubt seriously whether the attorney who drew the petition, using the plan as an exhibit, fully understands the plan. I think the petition should be re-drawn.

I should be happy to discuss this matter with you at any time convenient to you.

Carl B. Livingston
Carl B. Livingston

CEL:MS

ILLEGIBLE

MITTEE

EMERY CARPER
F. M. JACOBSON
BARNEY COCKBURN
J. B. STEELE
GUS W. ARNOLD

EMERY CARPER
CHAIRMAN

F. M. JACOBSON
SECRETARY

MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

ARTESIA, NEW MEXICO

January 6, 1945

Oil Conservation Commission
of the State of New Mexico,
Santa Fe, New Mexico.

Gentlemen:

It is the request of the Executive Committee that the following be embodied in the recommendations, paragraph 5, to the PETITION OF OPERATORS' COMMITTEE UNDER MALJAMAR COOPERATIVE REPRESSURING AGREEMENT FOR AN ALLOCATION OF OIL PRODUCING PLAN FOR THE MALJAMAR COOPERATIVE REPRESSURING AREA:

2. All wells to be tested at least once over each three months period to determine its gas-oil ratio and production. The amount of oil produced during the test shall not be less than the well's then current daily allowable (if the well is capable of producing its allowable) and shall not exceed the daily allowable by more than 20 per cent.

During the test the well shall be produced through the same sized choke opening and in substantially the same manner customarily employed in producing the well.

All wells shall be produced at their allocated rate the day preceding the test.

3. It shall be the duty of each and every operator to properly equip each and every producing well so that the above mentioned determinations can be made. In the event a well is not properly equipped for the pool engineer to make such determinations this unit will be assigned the basic allowable.

2.

Oil Conservation Commission
of the State of New Mexico.

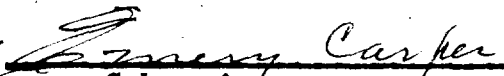
4. The Executive Committee shall have the power to alter and enforce the above mentioned determinations to further promote the conservation of reservoir energy within the area.

and that recommendation two (2), paragraph 5, now contained therein be eliminated.

Very truly yours,

MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT.

By


Chairman.

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

March 29, 1945

Honorable Clarence Hinkle
La Fonda Hotel
Santa Fe, New Mexico

Re: Order No. 595, Case 56

Dear Clarence:

Enclosed is a duplicate of the above captioned order executed by the Commission yesterday for transmittal to your client, the petitioners in the above captioned case. Also enclosed is a copy of said order for your files.

Kindest personal regards.

Very truly yours,

Carl B. Livingston

CHL:MS

P.S. Enclosed please find the Commission's letter of March 21 to the Secretary of the Interior with regard to the Rocky Arroyo Unit Agreement.

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

March 16, 1945

MEMORANDUM TO GOVERNOR JOHN J. DEMPSEY:

Re: Case 56 - Maljamar Cooperative Repressuring Agreement

As suggested by the Commission at the hearing of the above captioned matter on January 8, an amended petition and copy of supplement to Maljamar Cooperative Repressuring Agreement have been filed by Honorable Clarence Hinkle.

Mr. Hinkle, the project engineer and I have had recent conferences with the view of devising an appropriate order to be submitted to your Commission for its consideration at its next meeting.

The operators committee sought a revision of the existing order as to system of oil distribution and gas control as to the area committed under their agreement and supplement but their original petition was insufficiently clear; their amended petition overcomes that objection.

OIL CONSERVATION COMMISSION

BY

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

March 16, 1945

MEMORANDUM TO COMMISSIONER OF PUBLIC LANDS
JOHN E. MILES:

Re: Case 56 - Maljamar Cooperative Repressuring Agreement

As suggested by the Commission at the hearing of the above captioned matter on January 8, an amended petition and copy of supplement to Maljamar Cooperative Repressuring Agreement have been filed by Honorable Clarence Hinkle.

Mr. Hinkle, the project engineer and I have had recent conferences with the view of devising an appropriate order to be submitted to your Commission for its consideration at its next meeting.

The operators committee sought a revision of the existing order as to system of oil distribution and gas control as to the area committed under their agreement and supplement but their original petition was insufficiently clear; their amended petition overcomes that objection.

OIL CONSERVATION COMMISSION

BY:

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CARBON

LAW OFFICES

HERVEY, DOW, HILL & HINKLE

ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

W. E. BONDURANT, JR.

March 6, 1945

Mr. George Wikel
Secretary, Operators' Committee
Maljamar Cooperative Repressuring Agreement
Carner Building
Artesia, New Mexico

Dear Sir:

Re: Petition to Oil Conservation
Commission for Approval of
Allocation Plan.

This will confirm our conversation last week relative to the amended petition in the above matter which we filed with the Oil Conservation Commission. We forwarded the amended petition to the Oil Conservation Commission as soon as it was received and requested, if possible, that the order be entered prior to March 1st. Mr. Carl Livingston, Attorney for the Commission, called the writer by telephone stating that it would be impossible for him to get the order ready for the meeting of the Commission on the 27th or 28th and that anyway he wanted to discuss with me the form the order should take before it was entered.

Mr. Livingston called attention to paragraphs VI and VII of order No. 485 which was entered on December 1, 1942 by the Oil Conservation Commission approving the Maljamar Cooperative Repressuring Agreement. Paragraphs VI and VII of this order are as follows:

"VI. That said 13 in-put wells described in Section V of the Order herein are hereby assigned the top allowable for one year beginning with the effective date of this Order. Thereafter, said in-put wells if further used as such shall have such allowable for such period of time as determined by the Commission administratively; likewise, other in-put wells authorized to be selected as provided in Section V of the Order herein shall have such allowable for such period of time as field tests to the Commission may seem advisable.

"Sixty percent of the allowable lost by in-put wells shall be redistributed to all the other top allowable proration units within the committed area by dividing the above mentioned amount lost through the use of the in-put wells by the number of top

allowable producing wells in the committed area and the amount so determined would be added to the regular top allowable for each well. If the operators subject to said agreement do not desire to produce such excess allowable during any month the Operators' Committee would in that event notify the Commission before the allowable for such month is fixed and not later than the 25th day of the month preceding.

"VII. That the proration units within the committed area shall not exceed the production of 44 barrels of oil daily should the current allowable in the future exceed that amount; subject however, to the right of the Operators' Committee to petition the Commission administratively, by the 25th day of the month before the fixing of any monthly allowable, to change or modify such maximum allowable for the committed area."

Mr. Livingston would like the Operators' Committee's opinion as to whether or not in view of the contemplated plan of allocation these two provisions should not be deleted from or taken out of the existing order or modified so as to be in harmony with the contemplated allocation plan. It is the writer's personal reaction to this matter that it will be necessary to modify these provisions of Order 485 in approving the plan of allocation.

Paragraph VI could be modified to provide that the existing in-put wells should be assigned the same allowable assigned to non-marginal wells under the allocation plan, so long as each such well is being used solely as an in-put well. It seems to us that under the contemplated allocation plan there would be no further need for paragraph VII as it is contemplated that the schedule showing the allocation for each month will be submitted for the approval of the Commission. Mr. Livingston also suggested that it would be well to get up as quickly as possible the contemplated schedule of allocation for April and to submit it to the Commission so that this can be approved as to form at the same time the order is entered. By handling in this manner both the order and schedule can be approved at the next meeting to be held the latter part of this month, both to be effective as of April 1st. We would suggest that

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you get up a tentative form of schedule for the allocation for April and send it to the writer as quickly as possible so that I may discuss with Mr. Livingston the form the schedule is to take and return it to you with any suggestions so that you may have it for discussion and approval at the meeting of the Operators' Committee which I understand is to be held on March 16th.

Yours sincerely,

HARVEY, DOT, HILL & WINKLE

By 

CER:LF

cc-Mr. Carl Livingston
Oil Conservation Commission
Santa Fe, New Mexico

Mr. F. M. Jacobson
Buffalo Oil Company
Dallas 1, Texas

LAW OFFICES
HERVEY, DOW, HILL & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CURTIS HILL
CLARENCE E. HINKLE

Feb 25, 1945.

Carl B. Livingston
Oil Conservation Commission
Santa Fe, New Mexico.

Dear Carl:

I enclose amended petition
of operators committee of Maljamar
Refracting Agreement together with
copy of Supplement to Refracting
agreement which is referred to in
the petition.

I did not receive these
in time to get a letter of transmittal
dictated to you yesterday. I am meaning
them now so that it may be possible
to enter the order when the commission
meets this week. Mr. Scott the engineer
said that he had talked to Srs. Dempsey and
Srs. Miles and they stated they would sign
the order if you had it ready at the next
meeting. The Maljamar people are anxious
that this be done.

I did not have an executed copy of the supplement so as to make the enclosed copy a confirmed copy but I will have one prepared as soon as possible and substitute it for the enclosed copy at a later date and would not want the order held up on that account.

It seems to me that the order could be made rather short and simple in this case and I hope that you can have it entered this month.

Anything you can do to help me out in this matter will be greatly appreciated.

With best regards, I am

Yours sincerely,
James H. Smith