

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. 56

ORDER NO. 595

THE PETITION OF THE OPERATORS' COMMITTEE  
UNDER MALJAMAR COOPERATIVE REPRESSURING  
AGREEMENT FOR A CHANGE IN METHOD OF  
ALLOCATION OF OIL PRODUCTION AND GAS  
CONTROL FOR THE COMMITTED AREA WITHIN  
THE MALJAMAR COOPERATIVE REPRESSURING AREA.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., January 8, 1945, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 28<sup>th</sup> day of March, 1945, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

SECTION 1. That VI of Order 485 be and is hereby amended to read as follows:

VI. (a) That the allocation to the committed area and the re-allocation to the respective proration units therein shall be made upon the following plan:

(b) The Operators' Committee shall submit monthly to the Commission for approval the nomination in total barrels daily and schedule of re-allocation to the respective proration units.

(c) In no event shall any proration unit producing from horizons other than the Grayburg or San Andres formations be prorated under this plan of allocation, other than they shall not produce at a rate in excess of State top allowable.

(d) Each proration unit shall be assigned an acreage allowable in whatsoever amount production test shows that it is capable of making up to but not exceeding 15 barrels daily.

(e) Each proration unit capable of producing the acreage allowable but incapable of producing the additional allowable through the application of the void space factor hereinafter provided shall be permitted to produce that volume of oil as shown on its production test.

(f) All proration units capable of producing said acreage allowable plus the additional allowable through the application of the void space factor shall be assigned a proportionate part of the remaining nominated allowable; such proportionate part to be determined on the ratio that the void space created by each individual proration unit bears to the total void space created by all proration units, or in strict accordance with the following formula:

$$\frac{\text{Unit Void Space}}{\text{Total Unit Void Space}} \times \frac{\text{void space allowable}}{\text{void space allowable}} = \text{Number of bbls.}$$

(g) A proration unit upon which is located a newly completed or reconditioned well shall be assigned an allowable up to and including 30 barrels daily insofar as it is capable of producing such amount; that allowable being derived from the average void space created by all producing wells in the committed area. Such allowable to prevail only for those allocation periods in accordance with Proration Schedule Order No. 235 and until well can be properly tested and its allowable rate determined.

(h) Said nomination and schedule shall be submitted to the Commission and a duplicate shall be supplied to the Proration Office not later than the 20th day of each month preceding the next proration month.

SECTION 2. That VII of Order 485 be and is hereby amended to read as follows:

VII. Tests necessary in connection with the foregoing plan shall be those designated by the Commission, made by such methods and means, in such manner, and at such periods as the Commission in its discretion may prescribe from time to time.

SECTION 3. That VIII of Order 485 be and is hereby amended to read as follows:

VIII. That the order herein shall be inapplicable to any non-committed proration units within the cooperative area; such non-committed units shall receive their respective allocations in accordance with the State-Wide Proration Order and field gas-oil ratio limitation.

That this order shall be effective on execution and applicable to the Commission's Proration Schedule beginning with the next proration month.

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

OIL CONSERVATION COMMISSION

  
JOHN J. DEMPSEY, CHAIRMAN

  
JOHN E. MILES, MEMBER