

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. 81

ORDER NO. 659

THE PETITION OF THE GRAYBURG OIL COMPANY
OF NEW MEXICO OPERATOR OF GRAYBURG COOPERATIVE
AND UNIT AGREEMENT FOR AN ORDER FOR TRANSFER
OF ALLOWABLE FROM IN-PUT WELLS TO OTHER
WELLS OF SAME BASIC LEASES IN THE UNIT AREA
OF GRAYBURG COOPERATIVE AND UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, at ten o'clock A.M., June 7, 1946, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 7th day of June, 1946, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, finds that:

F I N D I N G S

SECTION A. The Grayburg Cooperative and Unit Agreement of Eddy County, New Mexico, is a repressuring and pressure maintenance project in which several wells are either now being used or anticipated to be used as input wells. Such use incurs lost allowable for such wells and such lost allowable should be permitted to be taken from other wells on the same basic lease.

SECTION B. Said project consists entirely of lands under United States Government leases or permits and is defined as follows:

N.M.P.M., Eddy County, New Mexico:

TWP. 17S, Range 29E
Sec. 13, S $\frac{1}{2}$;
Secs. 23 to 26, inclusive, all;

TWP. 17S, Range 30E
Sec. 18, all
Sec. 19, all
Sec. 30, all

SECTION C. The following wells are now being used as in-put wells and are capable of producing the top unit allowable:

Grayburg-U.S. 9B, NWSE Sec. 26, Twp. 17S, R. 29E.
Western-U.S. 12C, SWNE Sec. 25, 17S, 29E.

IT IS THEREFORE ORDERED THAT:

SECTION 1. The two in-put wells specifically described in the foregoing findings shall be permitted to produce lost allowables as top unit allowable wells from other wells in other proration units upon the same basic lease within said project. In addition thereto said wells shall be permitted in the same manner to make up back allowables from May 1, 1946, not to exceed the maximum back allowable rate currently prescribed by the Commission.

SECTION 2. Any other in-put well may be permitted by the Commission administratively through its authorized agent and without hearing to produce allowable lost in the use as an in-put well from other wells upon other proration units within the same basic lease. A satisfactory showing shall be made by the operator as to the rating of such in-put well as marginal or non-marginal immediately prior to the time it was first used as an in-put well for the purpose of determining the amount of allowable to which such in-put well may be entitled.

SECTION 3. Termination of the permission to take allowable lost by any in-put well from other wells upon the same basic lease shall be accomplished in the same manner as prescribed above for the obtaining of such permission.

SECTION 4. Application to produce allowable lost by any in-put well from other wells upon the same basic lease shall be by the operator upon Form C-102 in triplicate showing all pertinent data for the purpose herein as follows:

Description of the in-put well, the name and number of the basic lease, said in-put well's rating as marginal or non-marginal, the description of each well upon the same basic lease from which a part of the in-put well allowable is to be produced. When said C-102 is approved as herein indicated, it shall constitute the permit. Application to terminate such permit may be made in the same manner as far as pertinent to the purpose and when approved as herein indicated shall constitute the termination of such permit. Both the permit and the termination thereof must be effective as of the beginning of a proration month. When any such C-102 as mentioned in this section is thus approved the distribution thereof shall be as follows:

The Commission shall retain one copy at Santa Fe, New Mexico
One copy shall be transmitted to the operator.
One copy shall be transmitted to the Proration Office, Hobbs, New Mex.

SECTION 5. When any in-put well is permitted to produce its allowable from other wells upon other proration units in the same basic lease, the operator shall send monthly to the Proration Office in time for inclusion in the proration schedule, a nomination showing the desired distribution of the in-put well allowable in even number of barrels to each of the other wells upon other proration units.

SECTION 6. The effective date of this order shall be July 1, 1946

Done at Santa Fe, New Mexico, as of the day and year hereinabove designated.

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN


JOHN E. MILES, MEMBER


R. R. SPURRER, SECRETARY.

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