

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-A

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER  
ADJUSTING THE ALLOWABLE AMOUNT  
OF 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 COM-  
MISSION IN AUTHORIZING THE OVER-  
PRODUCTION AND SALE OF OIL FROM  
THIS WELL.

CORRECTION  
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 16<sup>th</sup> day of September, 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 at 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, the records of the Commission reflect the following allocation and production for this well:

<u>MONTH</u>	<u>ALLOCATION</u>	<u>PRODUCTION</u>
October 1951	0	6283
November 1951	680	2479
December 1951	1054	1057
January 1952	1581	1862
February 1952	1537	1532
March 1952	1643	1504
April 1952	1590	1620
May 1952	1550	1831
June 1952	1440	1200
 <b>TOTAL</b>	 <b>11,075</b>	 <b>19,368</b>

(a) That the allocation assigned the well for the months of October 1951, November 1951, and December 1951 should be adjusted so that the correct allocation which should have been assigned the well, based on a 40-acre allowable and a completion date of October 13, 1951, would have been as follows:

October 1951: 1007 barrels; November 1951: 1530 barrels;  
and December 1951: 1581 barrels.

(b) That the total corrected allocation assigned to the well as of 7:00 a.m. July 1, 1952, should total 13,459, barrels, which reflects an overproduction of 5909 barrels.

(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 THEREFORE ORDERED:

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

(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 5909 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 591 days.

(3) That the allowable assigned the Aurora Gasoline Company, No. 1 Davis, should be adjusted for the months of October 1951, November 1951, and December 1951, to show a total allowable for each month as follows: October 1951: 1007 barrels; November 1951: 1530 barrels; December 1951: 1581 barrels.

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PROVIDED FURTHER, That this order shall become effective August 1, 1952, and shall continue in force and effect for a period of 591 days terminating on March 15, 1954.

This correction is made and entered nunc pro tunc as of July 30, 1952, for the purpose of correcting certain statistical errors appearing in original order R-181.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*

EDWIN L. MECHEM, Chairman

*Guy Shepard*

GUY SHEPARD, Member

*R. R. Spurrier*

R. R. SPURRIER, Secretary

SEAL