

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. 401
ORDER NO. R-214

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER REVISING RULE 301 OF THE OIL
CONSERVATION COMMISSION'S RULES AND
REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. August 19, 1952, and on September 16, 1952, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this ^{13th} day of November, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and of the subject matter thereof.
- (2) That the Commission has experienced difficulty in the proper administration of Rule 301 of the Commission's Rules and Regulations and realizes the need for a revision of this rule.
- (3) That the following revision of Rule 301 will result in a more efficient and economic administration of the conservation laws of the State of New Mexico.

IT IS THEREFORE ORDERED:

- (1) That Section "E" of Order No. 850, Oil Production Operating Practices, be revised in accordance with the following:

RULE 301. GAS-OIL RATIO TEST

(a) Each operator shall take a gas-oil ratio test not sooner than 30 days nor later than 60 days following the completion or recompletion of an oil well, provided that (1) the well is a wildcat, or (2) the well is located within a pool not exempted from the requirements of this rule. (Wells located within one mile of the outer boundaries of a defined oil pool shall be governed by the provisions of this rule which are applicable to the nearest pool producing from the same formation.) The results of such test shall be reported on Form C-116. The gas-oil ratio thus reported shall become effective for proration purposes on the first day of the calendar month following the date they are reported.

Each operator shall also take an annual gas-oil ratio test of each producing oil well, located within a pool not exempted from the requirements of this rule, during a

period prescribed by the Commission. A gas-oil ratio survey schedule shall be established by the Commission setting forth the period in which gas-oil ratio tests are to be taken for each pool wherein a test is required. The gas-oil ratio test applicable shall be such test designated by the Commission, made by such method and means, and in such manner as the Commission in its discretion may prescribe from time to time.

(b) The results of gas-oil ratio tests taken during regular survey periods shall be filed with the Commission on Form C-116 not later than the 15th of the month following the close of the survey period for the pool in which the well is located. The gas-oil ratios thus reported shall become effective for proration purposes on the first day of the second month following the close of the survey period. Unless Form C-116 is filed within the required time limit, no further allowable will be assigned the affected well until Form C-116 is filed.

(c) In the case of special tests taken between regular gas-oil ratio surveys, the gas-oil ratio shall become effective for proration purposes upon the date Form C-116, reporting the results of such test, is received by the Proration Department. A special test does not exempt any well from the regular survey.

(d) During gas-oil ratio test, each well shall not be produced at a rate exceeding top unit allowable for the pool in which it is located by more than 25 per cent. No well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period.

PROVIDED FURTHER, that this order shall become effective January 1, 1953.

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

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