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. 625 ORDER NO. R-426

THE APPLICATION OF E. B. CLARK AND C. B. CHRISTIE FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION TO RULE 7 (a) OF ORDER NO. R-370-A IN ESTABLISHMENT OF AN UNORTHODOX GAS PRORATION UNIT OF 160 CONTIGUOUS ACRES CONSISTING OF WEST HALF NORTHEAST QUARTER AND EAST HALF NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW MEXICO, IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on December 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

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(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicants E. B. Clark and C. B. Christie, are the owners of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM W/2 NE/4, and E/2 NW/4 of Section 3 containing 160 acres, more or less.

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(4) That applicants E. B. Clark and C. B. Christie, have a producing well on the aforesaid lease known as J. W. Cooper, No. 2, located 660' from the north line and 1650' from the east line of Section 3, Township 20 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is not practicable to pool applicants' said lease with adjoining acreage in the north half of Section 3, Township 20 South, Range 37 East, NMPM, and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicants' aforesaid acreage is permitted, applicants will be deprived of the opportunity to recover their just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicants' property.

IT IS THEREFORE ORDERED:

(1) That the application of E. B. Clark and C. B. Christie for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM W/2 NE/4, E/2 NW/4 of Section 3

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicants' well, J. W. Cooper, No. 2, located in the NW/4 NE/4 of Section 3, Township 20 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954, in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

SEAL