

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. 703  
Order No. R-479

THE APPLICATION OF SKELLY OIL COMPANY  
FOR AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 7 (a) OF  
ORDER NO. R-369-A IN ESTABLISHMENT OF AN  
UNORTHODOX GAS PRORATION UNIT OF 160  
CONTIGUOUS ACRES CONSISTING OF THE WEST  
HALF SOUTHWEST QUARTER, NORTHEAST QUARTER  
SOUTHWEST QUARTER AND NORTHWEST QUARTER  
SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 23  
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW  
MEXICO ADJACENT TO THE LANGMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on May 19, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present having considered the records and testimony adduced, and being fully advised in the premises:

FINDS:

(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-369-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 applicant, Skelly Oil Company, is the owner 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 23 SOUTH, RANGE 37 EAST, NMPM  
W/2 SW/4, NE/4 SW/4, NW/4 SE/4 of Section 17  
containing 160 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on the aforesaid lease known as E. L. Steeler, No. 7 located 1980' from the South line and 660' from the West line of Section 17, Township 23 South, Range 37 East.

(5) That the aforesaid well is located within one mile of the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the south half of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, and that the owner 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 applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Langmat 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 applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
W/2 SW/4, NE/4 SW/4, NW/4 SE/4 of Section 17

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

(2) That applicant's well, E. L. Steeler, No. 7, located in the NW/4 SW/4 of Section 17, Township 23 South, Range 37 East, NMPM, shall be granted an allowable 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

(S E A L)