

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. 744
Order No. R-516

THE APPLICATION OF HUDSON AND HUDSON,
INC., AND PHILLIPS PETROLEUM COMPANY,
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-370-A IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 160
CONTIGUOUS ACRES CONSISTING OF N/2 N/2
OF SECTION 30, 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 July 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 12th. day of August, 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-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) (a) That applicants, Hudson and Hudson, Inc., and Phillips Petroleum Company, are the owners of oil and gas leases in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

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containing 160 acres, more or less.

Entered 8-23-54 2 P.

(b) That applicants, Hudson and Hudson Inc., and Phillips Petroleum Company, have entered into an agreement to unitize the above described acreage.

(4) That applicant, Hudson and Hudson, Inc., has a well on the aforesaid lease known as the No. 1, Hudson, located 660' from the North line and 1980' from the East line of Section 30, Township 20 South, Range 37 East, which is to be recompleted in the Eumont Gas Pool.

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

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the N/2 of Section 30, Township 20 South, Range 37 East, 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 and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Hudson and Hudson and Phillips Petroleum Company for approval of an unorthodox proration unit consisting of the following described acreage

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

(2) That applicant's well, Hudson, No. 1, located in the NW/4 NE/4 of Section 30, Township 20 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.

(3) The effective date of the allowable assigned said well shall be governed by the provisions of Rule 13 of Order R-370-A.

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

Oil Conservation Commission - Signed by: Edwin L. Mechem, Chairman; E. S. Walker, Member; W. B. Macey, Secretary and Member.