

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 CON-
SIDERING:

CASE NO. 751
ORDER NO. R-534

THE APPLICATION OF THE OHIO OIL
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 80 CONTIGUOUS ACRES
CONSISTING OF THE E/2 SW/4 OF SECTION 26,
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO IN WHAT IS NOW
DELINEATED AS THE EUMONT GAS POOL UNDER
THE PROVISIONS OF ORDER R-520; AND FOR
APPROVAL OF RECOMPLETION OF THE OHIO
OIL COMPANY'S STATE McGRAIL WELL NO. 1
IN SAID UNIT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. , on August 18, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this ^{4th} day of October, 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 and Order R-520, 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, The Ohio 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 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 of Section 26

containing 80 acres, more or less.

Entered 10-22-54
WBM

Page -2-
Order No. R-534

(4) That applicant, The Ohio Oil Company, has a well on the aforesaid lease known as the State McGrail No. 1 located 660' from the South line and 1980' from the West line of Section 26, Township 19 South, Range 36 East.

(5) That the aforesaid well was completed as an oil well in the Eurice-Monument Oil Pool and was in production prior to January 1, 1954, the effective date of Order No. R-370-A, and authority is sought to recomplete the well within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool; that recompletion of the said well in the Eumont Gas Pool will be in the interests of conservation and the prevention of economic waste.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 Section 26, Township 19 South, Range 36 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 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 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 the Ohio Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 of Section 26

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

(2) That the applicant be and it is hereby given permission to recomplete its State McGrail Well No. 1 in the Eumont Gas Pool.

(3) That applicant's well, State McGrail Well No. 1 located in the SE/4 SW/4 of Section 26, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 80 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

E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macey

W. B. MACEY, Secretary and Member

S E A L