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A.T.P.

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. 1113
Order No. R-872

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO RULE
5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS
POOL AS SET FORTH IN ORDER NO. R-520
IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 480 CONTIGUOUS
ACRES CONSISTING OF THE W/2 OF SECTION
13 AND THE E/2 OF THE E/2 OF SECTION 14,
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 25, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of August, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Nutter, 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 applicant, Continental Oil Company is the owner of a federal oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

Township 21 South, Range 36 East, NMPM
W/2 of Section 13
E/2 of the E/2 of Section 14

containing 480 acres, more or less.

Order No. R-872

(3) That applicant, Continental Oil Company has a producing well on the aforesaid lease known as the Lockhart "B-14" No. 4 Well located 1980 feet from the North line and 660 feet from the East line of said Section 14.

(4) That the applicant's aforesaid Lockhart "B-14" No. 4 Well is at present a marginal well producing oil from the Grayburg formation of the Eunice Pool, and that applicant will recomplate said well to produce gas from the Eumont Gas Pool either by plugging back and perforating within the vertical limits of the Eumont Gas Pool or by dually completing the well to produce oil from the Eunice Pool and gas from the Eumont Gas Pool.

(5) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 480 acres.

(6) 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.

(7) 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 Continental Oil Company for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the following described acreage:

Township 21 South, Range 36 East, NMPM
W/2 of Section 13
E/2 of the E/2 of Section 14

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

(2) That applicant's Lockhart "B-14" No. 4 Well, located in the SE/4 of the NE/4 of said Section 14, shall be granted an allowable in the proportion that the above described 480-acre unit bears to the standard proration unit for said pool, all until further order of the Commission.

IT IS FURTHER ORDERED:

That approval of the above-described 480-acre gas proration unit shall be contingent upon the successful recompletion of the applicant's Lockhart "B-14" No. 4 Well in accordance with the applicable Rules and Regulation of the Oil Conservation Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member

