

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 910
Order No. R-659

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
TO RULE 5 (a) OF ORDER NO. R-520 IN
THE ESTABLISHMENT OF A 320-ACRE NON-
STANDARD GAS PRORATION UNIT IN THE
ARROW GAS POOL CONSISTING OF THE NORTH
HALF OF SECTION 25, TOWNSHIP 21 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY, NEW
MEXICO, AND THE ASSIGNMENT OF SAID
ACREAGE TO APPLICANT'S WILLIAM A. RAMSAY
"B" WELL NO. 2, LOCATED 1980 FEET FROM THE
NORTH LINE AND 660 FEET FROM THE WEST LINE
OF SAID SECTION 25.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 12th day of July 1955, the Commission, a quorum being present, having considered the records and the 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 the provisions of Rule 5 (a) of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That the applicant, Gulf Oil Corporation, is the owner of an oil and gas lease covering the NW/4, E/2 NE/4 and the SW/4 NE/4 of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, which lease consists of approximately 280 acres.

(4) That the applicant, Gulf Oil Corporation, is the owner of an oil and gas lease covering the NW/4 NE/4 of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, which lease consists of approximately 40 acres.

(5) That the applicant, Gulf Oil Corporation, proposes to communitize the above-described leases to form a non-standard proration unit consisting of 320 acres, more or less.

(6) That applicant, Gulf Oil Corporation, has a producing gas well on the aforesaid lease or leases known as the William A. Ramsay "B" Well No. 2, located 1980 feet from the north line and 660 feet from the west line of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(7) That the aforesaid well was originally completed as an oil well in the Arrowhead Pool in December, 1944, and was recompleted as a gas well in the Arrow Gas Pool in June, 1951, which date precedes the effective date of Order No. R-520.

(8) That the aforesaid well is located within the horizontal limits of the Arrow Gas Pool, and is completed within the vertical limits of the Arrow Gas Pool.

(9) That all of the acreage to be included in the proposed proration unit, before or after successful conclusion of communitization negotiations, may be reasonably assumed to be productive of gas from the Arrow Gas Pool.

(10) That there have been no objections to the formation of the proposed 320-acre non-standard gas proration unit.

(11) That unless a proration unit consisting of applicant's above-described acreage is permitted, applicant will be deprived of the full use and value of the acreage and the gas well located thereon.

(12) That the creation of the gas proration unit herein described is in the interests of conservation and the protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That a non-standard gas proration unit consisting of the following described acreage is hereby created:

TOWNSHIP 21 South, RANGE 36 East, NMPM
NW/4, E/2 NE/4, and SW/4 NE/4 of Section 25

containing 280 acres, more or less.

(2) That applicant's well, William A. Ramsay "B" Well No. 2, located 1980 feet from the north line and 660 feet from the west line of Section 25, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 280-acre unit bears to the standard or orthodox unit for the Arrow Gas Pool, all until further order of the Commission.

(3) That, upon successful conclusion of communitization negotiations, a non-standard gas proration unit consisting of the following described acreage shall be created:

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TOWNSHIP 21 South, RANGE 36 East, NMPM
N/2 Section 25

containing 320 acres, more or less, that the creation of said proration unit shall be effective on the date said communitization is approved by the Commissioner of Public Lands of the State of New Mexico.

(4) That, for the purposes of gas proration, the acreage included in said non-standard gas proration unit shall be assigned to Gulf Oil Corporation's William A. Ramsay "B" Well No. 2, which well is located as hereinabove described.

(5) That said well shall be granted an increased allowable dating from the first day of the month next following that month in which the Commission is formally notified in writing of the communitization of a 320-acre tract described above, and that the allowable granted shall be in the proportion that 320 acres bears to the acreage in a standard or orthodox gas proration unit in the Arrow Gas Pool, all until further order of the 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



W. B. MACEY, Member and Secretary



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