BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

IN THE MATTER OF:

In the matter of the application of Cities Service Oil Company for an exception to Rule 7 (a) of Order No. R-370-A to permit the establishment of an unorthodox gas proration unit consisting of 160 acres, composed as follows: NE/4 NE/4 Section 8, and W/2 Se/4 and SE/4 SE/4 Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, in the Eumont Gas Pool, and for assignment of a full 160-acre allowable thereto.

Case No. 662

(Notice of Publication read.)

MR. SPURRIER: The case next on the docket is 662.

MR. MASSEY. A. J. Massey, Cities Service. We want to make a request of the Commission that the case 662 be dismissed.

MR. SPURRIER: Is there objection to Mr. Massey's motion. Without objection the Commission will dismiss the case.

CERTIFICATE

I HEREBY CERTIFY that the foregoing transcript of hearing in Case 662 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

COURT REPORTER

CITIES SERVICE OIL COMPANY

Box 97

Hobbs, New Mexico

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DEC 2 6 1853 December 24, 1953

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

> Re: Application of Cities Service Oil Company for Approval of an Unorthodox Gas: Unit Embracing 160 Contiguous Acres in the Eumont Gas Pool, Lea County, New Mexico

Gentlemen:

Comes now Cities Service Oil Company, hereinafter called "applicant", and respectfully requests the Oil Conservation Commission of the State of New Mexico to approve an unorthodox gas proration unit lying wholly within the limits of the Eumont Gas Pool, namely the NE/4 NE/4 Section 8 and the W/2 SE/4 and the SE/4 Section 5, T2OS, R37E, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

- 1. That the Applicant is the sole owner of all leases on the 160 acres confined by the boundaries of the NE/4 NE/4 Section 8 and the W/2 SE/4 and the SE/4 SE/4 Section 5, T2OS, R37E, N.M.P.M., and concerns but a single royalty owner.
- 2. That the Applicant's Laughlin Well No. 5 is located 2310' from the East Line and 330' from the South Line of the section, and is completed within the vertical limits of the Eumont Gas Pool as defined by the New Mexico Oil Conservation Commission.
- 3. That the Applicant's dually completed well is capable of production from the Eumont Gas Pool.
- 4. That a plat showing the above described lands and all offset properties indicating well locations and lease ownership to the best of our knowledge is hereto attached.
- 5. That there are no other gas wells in the SE/4 and unitization of the Applicant's 120 acres with the NE/4 SE/4 Section 5, T2OS, R37E, N.M.P.M., does not seem feasible.
- 6. That there are no gas wells in the NE/4 of Section 8, T2OS, R37E, with which the Applicant's 40 acres may be unitized. The Applicant feels that Laughlin No. 5 located in Section 5, T2OS, R37E, will drain the full 160 acres lying in Sections 5 and 8. That considerable expense has been involved in drilling and completing said well and that it should receive full unit allowable. That the applicant should not be required to drill an additional well in order to receive an allowable for the 40 acres located in the NE/4 NE/4 Section 8, T2OS, R37E, when said lease can be drained with the present gas well.

The above-mentioned plat is on file in the OCC office in Santa Fe, New Mexico.

Respectfully submitted,
CITIES SERVICE OIL COMPANY

cc: NMOCC - Hobbs

H. E. Massey, District Petroleum Engineer