

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. 722
Order No. R-525

THE APPLICATION OF SHELL OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION TO RULE 7 (a) OF ORDER NO.
R-372-A IN ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF LOTS 13 AND 14 OF SECTION 3 AND
LOTS 9 AND 16 OF SECTION 4, TOWNSHIP 21 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY, NEW
MEXICO, IN THE BLINEBRY GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on June 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 2nd day of September, 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-372-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) That applicant, Shell 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 21 SOUTH, RANGE 37 EAST, NMPM
Lots 13 and 14 of Section 3 and Lots 9 and 16 of Section 4

containing 160 acres, more or less.

(4) That applicant, Shell Oil Company, has a producing well on the aforesaid lease known as Shell Livingston No. 8, located 2970 feet from the South line and 2308 feet from the West line of Section 3, Township 21 South, Range 37 East.

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(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-372-A, and is located within the limits of the pool heretofore delineated and designated as the Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in Sections 3 or 4, Township 21 South, Range 37 East, and that the owners of adjoining acreage in said sections 3 and 4 have not objected to the formation of the proposed proration unit of 160 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 Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Shell Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

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Lots 13 and 14 of Section 3 and Lots 9 and 16 of
Section 4.

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

(2) That applicant's well, Shell Livingston No. 8, located in Lot 14 of Section 3, Township 21 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 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

EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


W. B. MACEY, Secretary and Member

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