

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 15, 1955

Mr. Ross Malone  
200 West First St.  
Roswell, New Mexico

Dear Sir:

In behalf of your client, Gulf Oil Corporation, we enclose two copies of Order R-717 issued November 10, 1955, by the Oil Conservation Commission in Case 970, which was heard on October 17th.

Very truly yours,

W. B. Macey  
Secretary - Director

WBM:brp  
Encls.

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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. 970  
Order No. R-717

THE APPLICATION OF GULF OIL  
CORPORATION FOR AN ORDER  
GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 5 (a)  
OF THE SPECIAL RULES AND REGULATIONS  
OF THE EUMONT GAS POOL OF ORDER NO.  
R-520 IN ESTABLISHMENT OF A NON-STANDARD  
GAS PRORATION UNIT OF 320 CONTIGUOUS  
ACRES CONSISTING OF NW/4 SECTION 8 AND  
THE NE/4 SECTION 7, TOWNSHIP 19 SOUTH,  
RANGE 37 EAST, NMPM, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:30 o'clock p. m. on October 17, 1955, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 10<sup>th</sup> day of *November*, 1955, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application and the recommendations of the Examiner, Warren W. Mankin, 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 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool 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 applicant, Gulf Oil Corporation; John Kelly and the Texas Company, are the owners of patented and state oil and gas leases in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

NW/4 Section 8

NE/4 Section 7

containing 320 acres more or less.

(4) Said Gulf Oil Corporation, Texas Company and John Kelly contemplate entering into a gas pooling and unit operating agreement upon approval of this application by the Commission.

(5) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lease known as Elbert Shipp "B" Well No. 2, located 660 feet from the West line and 1980 feet from the North line of Section 8, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(6) That the aforesaid well is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(7) 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 320 acres.

(8) That unless a proration unit consisting of 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.

(9) 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 Gulf Oil Corporation for approval of a non-standard proration unit in the Eumont Gas Pool of Lea County, New Mexico, consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

NW/4 Section 8

NE/4 Section 7

containing 320 acres more or less, be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Elbert Shipp "B" Well No. 2, located in the SW/4 NW/4 of Section 8, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby granted an allowable in

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Order No. R-717

the proportion that the above described 320 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 on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*

JOHN F. SIMMS, Chairman

*E. S. Walker*

E. S. WALKER, Member

*W. B. Macey*

W. B. MACEY, Member and Secretary



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