

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 27, 1956

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P
Y

Mr. John Quinn
Easley, Quinn & Stout
Box 2587
Hobbs, New Mexico

Dear Sir:

In behalf of your client, Makin Drilling Company, we enclose two copies of Order R-742 issued January 27, 1956, by the Oil Conservation Commission in Case 982, which was heard on December 14th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

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. 982
Order No R-742

THE APPLICATION OF MAKIN DRILLING
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS OF THE EUMONT GAS
POOL AS SET FORTH IN ORDER NO. R-520
IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF S/2 SE/4 SECTION 18,
N/2 NE/4 SECTION 19, TOWNSHIP 21 SOUTH,
RANGE 37 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 December 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of January, 1956, 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 the case and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool, as set forth in 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, Makin Drilling Company, and others who consist of all but one of the working interest owners and overriding royalty interest owners have entered into a communitization agreement covering the above-described properties. Applicant has acquired a letter of agreement to communitize from the one working interest owner, who at present, is not a party to the communitization agreement.

(4) That applicant, Makin Drilling Company, is the operator of a well now being drilled; said well known as the No. 1 Warlick-Queen Well, which is located in the NE/4 NE/4 of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The evidence indicates that the acreage within the proposed unit is productive of gas from the Eumont Gas Pool.

(6) That there has been no objection from adjoining owners in said area 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 Eumont Gas Pool.

(8) 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 Makin Drilling Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 SE/4 Section 18
N/2 NE/4 Section 19

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

(2) That applicant's well, the No. 1 Warlick-Queen, located in the NE/4 NE/4 Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in the Eumont Gas Pool, be and the same is hereby granted an allowable in the proportion that the above-described 160 acre unit bears to the standard 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

