

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. 1180
Order No. R-943

THE APPLICATION OF JOHN M. KELLY
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION TO RULE 5 (a) OF
THE SPECIAL RULES AND REGULATIONS
FOR THE EUMONT GAS POOL AS SET
FORTH IN ORDER NO. R-520 IN
ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 200 CONTIGUOUS
ACRES CONSISTING OF NW/4 NE/4, SW/4
NE/4, NW/4 SE/4 AND E/2 SW/4 SECTION
16, 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 10 o'clock a.m. on November 28, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of January, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That applicant, John M. Kelly, is the owner of the gas rights under the SW/4 NE/4, NW/4 SE/4 and E/2 SW/4 of Section 16, Township 19 South, Range 37 East, NMPM, and Aztec Oil and Gas Company is the owner of the gas rights under the NW/4 NE/4 of said Section 16.

(3) That said parties have entered into a pooling agreement of the above-described lands insofar as the gas rights are concerned.

(4) That applicant, John M. Kelly, has a producing well on the aforesaid lease known as the Humble-State No. 1, located 1980 feet from the South line and 1980 feet from the West line of said Section 16.

(5) That the aforesaid well is presently assigned a 160-acre proration unit in the Eumont Gas Pool.

(6) That it is impractical to pool the acreage in the proposed proration unit with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to its formation.

(7) That unless a proration unit consisting of the aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his 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 John M. Kelly for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico,

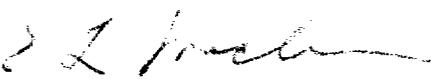
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 16: NW/4 NE/4, SW/4 NE/4, NW/4 SE/4,
E/2 SW/4

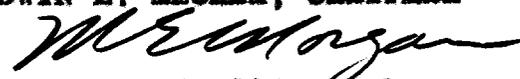
be and the same is hereby approved, and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's well, Humble-State No. 1, located 1980 feet from the South line and 1980 feet from the West line of said Section 16, shall be granted an allowable in the proportion that the above-described 200-acre unit bears to the standard proration unit in accordance with Rule 8 of the Special Rules and Regulations for the Eumont 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


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary

