

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. 1182  
Order No. R-941

THE APPLICATION OF CONTINENTAL OIL  
COMPANY 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 320  
CONTIGUOUS ACRES CONSISTING OF S/2 SECTION  
1, TOWNSHIP 21 SOUTH, RANGE 36 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 16<sup>th</sup> 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, Continental Oil Company, is the owner of a state oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, a portion of which is described as follows, to-wit:

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containing 320 acres, more or less.

(3) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as its State "F-1" No. 1, located 660 feet from the South line and 660 feet from the West line of Section 1, Township 21 South, Range 36 East.

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(4) That the aforesaid well was recompleted and is in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool; and further that said well has presently assigned to it a 160-acre gas proration unit.

(5) 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.

(6) 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.

(7) 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 Continental Oil Company for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico,

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

(2) That applicant's well, State "F-1" No. 1, located 660 feet from the South line and 660 feet from the West line of said Section 1, shall be granted an allowable in the proportion that the above-described 320-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

*E. L. Nechen*  
EDWIN L. NECHEN, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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

