Entered December 26, 1957

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. 1343 Order No. R-1103

APPLICATION OF HUMBLE OIL AND REFINING COMPANY FOR AN ORDER AUTHORIZING TWO PRODUCING WELLS ON A 640-ACRE GAS PRORATION UNIT IN THE EUMONT GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1957, at Santa Fe, New Mexico, before Elvis A. Utz, 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 $18^{\frac{1}{2}}$ day of December, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 cause and the subject matter thereof.
- (2) That applicant, Humble Oil and Refining Company, is the owner and operator of 640-acre (standard) gas proration unit in the Eumont Gas Pool consisting of Section 4, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, known as the Humble Oil and Refining Company Eumont Gas Unit #1.
- (3) That the above-described unit is presently dedicated to the Eumont Gas Unit #1 Well No. 1, located 2310 feet from the South line and 1980 feet from the East line of said Section 4.
- (4) That the applicant proposes to assign an additional Eumont gas well to the above-described unit, said well being the Eumont Gas Unit #1 Well No. 2, located 2180 feet from the South line and 660 feet from the West line of said Section 4.
- (5) That the applicant proposes to limit the production from the Eumont Gas Unit #1 Well No. 2 to no more than 50% of the unit allowable.

-2-Case No. 1343 Order No. R-1103

- (6) That approval of the subject application will not cause waste nor impair correlative rights.
- (7) That the subject application should be approved provided that no more than 50% of the unit allowable would be produced from the Eumont Gas Unit #1, Well No. 2.

IT IS THEREFORE ORDERED:

(1) That the applicant, Humble Oil and Refining Company be and the same is hereby authorized to jointly dedicate Section 4, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico to its Eumont Gas Unit #1 Well No. 1, located 2310 feet from the South line and 1980 feet from the East line of said Section 4, and to its Eumont Gas Unit #1 Well No. 2, located 2180 feet from the South line and 660 feet from the West line of said Section 4;

PROVIDED HOWEVER, That the applicant shall endeavor to produce as much of the unit allowable as possible from the said Eumont Gas Unit #1 Well No. 1;

PROVIDED FURTHER, That the applicant shall not produce more than 50% of the six-months allowable for the aforementioned Eumont Gas Unit #1 from the No. 2 Well;

PROVIDED FURTHER, That in the event the said Eumont Gas Unit #1 Well No. 2 does produce more than 50% of the 640-acre unit allowable for any six-months proration period, then said well shall be shut-in during the next succeeding six-months proration period until such time as said well's share of the unit allowable (50%) for the current proration period is equal to the well's over-production during the preceding proration period.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

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MURRAY E. MORGAN, Member

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

SEAL