

Entered February 11, 1960
AJP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1835
Order No. R-1590

APPLICATION OF CONTINENTAL OIL
COMPANY FOR TWO 320-ACRE NON-
STANDARD GAS PRORATION UNITS 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 January 6, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 8th day of February, 1960, 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 cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, is the owner and operator of Section 3, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That a 321-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 of said Section 3 is presently dedicated to the applicant's Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3.
- (4) That the applicant proposes that the above-described non-standard gas proration unit in the Eumont Gas Pool be cancelled and that the following-described non-standard gas proration units in the Eumont Gas Pool be established:

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A 320-acre non-standard gas proration unit consisting of the S/2 of said Section 3 to be dedicated to the said Reed A-3 Well No. 3.

A 321-acre non-standard gas proration unit consisting of the N/2 of said Section 3 to be dedicated to the Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3.

(5) That the said Reed A-3 Well No. 3 is perforated in the Seven Rivers and Queen formations.

(6) That the evidence presented does not establish that the perforated intervals of the said Reed A-3 Well No. 3 are productive in the Seven Rivers and Queen formation, with the exception of the Penrose member of the Queen formation.

(7) That the applicant failed to present satisfactory evidence that the W/2 W/2 of said Section 3 can reasonably be presumed to be productive of gas rather than oil.

(8) That one offset operator objected to the proposed non-standard gas proration units.

(9) That the said Reed A-3 Well No. 2 should be assigned a 241-acre non-standard gas proration unit in the Eumont Gas Pool, rather than a 320-acre non-standard gas proration unit, said 241-acre unit to comprise the NE/4 and the E/2 NW/4 of said Section 3.

(10) That the said Reed A-3 Well No. 3 should be assigned a 240-acre non-standard gas proration unit in the Eumont Gas Pool, rather than a 320-acre non-standard gas proration unit, said 240-acre non-standard unit to comprise the SE/4 and the E/2 SW/4 of said Section 3.

(11) That establishment of the above-described non-standard gas proration units will fully protect the applicant's correlative rights and will neither cause waste nor impair the correlative rights of offset operators.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for the establishment of two 320-acre non-standard gas proration units in the Eumont Gas Pool, one to consist of the N/2 of Section 3, the other to consist of the S/2 of Section 3, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby denied.

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(2) That a 241-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of the NE/4 and the E/2 NW/4 of said Section 3 be and the same is hereby established, said unit to be dedicated to the applicant's Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3.

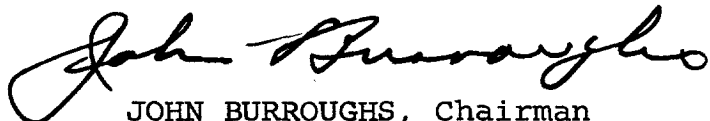
(3) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of the SE/4 and the E/2 SW/4 of said Section 3, be and the same is hereby established, said unit to be dedicated to the applicant's Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3.

(4) That the allowable assigned to each of the above-described non-standard gas proration units shall bear the same ratio to a standard allowable in the Eumont Gas Pool as the acreage in the unit bears to the acreage in a standard unit in the Eumont Gas Pool.

(5) That Administrative Order NSP-290 be and the same is hereby cancelled.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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