

Entered December 6, 1966
10/1/66

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. 3497
Order No. R-3159

APPLICATION OF ME-TEX SUPPLY COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT
AND A NON-STANDARD GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 30, 1966,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of December, 1966, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Me-Tex Supply Company, is the owner
and operator of the Wallace State Well No. 3 located 3300 feet
from the South line and 1980 feet from the West line of Section
3, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico;
that said well presently has dedicated to it a non-standard gas
proration unit in the Eumont Gas Pool comprising Lots 13 and 14
of said Section 3.

(3) That the applicant is the owner and operator of the
Wallace State Well No. 2 located in Lot 12 of said Section 3;
that said well presently has dedicated to it a non-standard gas
proration unit in the Eumont Gas Pool comprising Lots 5, 6, 11,
and 12 of said Section 3.

-2-

CASE No. 3497

Order No. R-3159

(4) That the applicant seeks to abolish the aforesaid non-standard proration units and create a 240-acre non-standard gas proration unit in the Eumont Gas Pool comprising Lots 5, 6, 11, 12, 13, and 14 of said Section 3 to be dedicated to its Wallace State Well No. 3 located at an unorthodox location 3300 feet from the South line and 1980 feet from the West line of said Section 3.

(5) That the applicant further seeks the assignment to the proposed non-standard gas proration unit of the accumulated underproduction presently carried by the aforesaid Wallace State Well No. 3 and Wallace State Well No. 2.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Wallace State Well No. 3.

(7) That the accumulated underproduction presently carried by the aforesaid Wallace State Well No. 3 and Wallace State Well No. 2 should be assigned to the proposed non-standard gas proration unit.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, the aforesaid non-standard gas proration units presently dedicated to the said Wallace State Wells Nos. 2 and 3 should be abolished and a non-standard proration unit created and dedicated as requested by the applicant.

IT IS THEREFORE ORDERED:

(1) That the non-standard gas proration unit comprising Lots 13 and 14 and the non-standard gas proration unit comprising Lots 5, 6, 11, and 12, both in Section 3, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby abolished.

(2) That an unorthodox location is hereby approved for the Me-Tex Supply Company Wallace State Well No. 3 located 3300 feet from the South line and 1980 feet from the West line of Section 3, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

-3-

CASE No. 3497

Order No. R-3159

(3) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool comprising Lots 5, 6, 11, 12, 13, and 14 of Section 3, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Me-Tex Supply Company Wallace State Well No. 3;

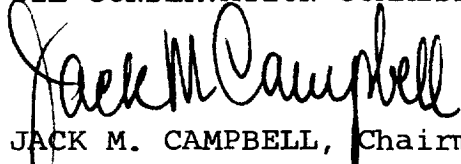
PROVIDED HOWEVER, that the effective date for the establishment of said unit shall be as of December 1, 1966;

PROVIDED FURTHER, that the beginning status for the unit shall be the combined status, as of December 1, 1966, of the two units being abolished.

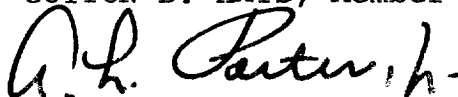
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/