

Entered October 11, 1967
Q.L.P.

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. 3662
Order No. R-3327

APPLICATION OF EL PASO NATURAL GAS COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT AND
AN UNORTHODOX 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 October 4, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of October, 1967, 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 by Administrative Order NSP-45, dated December 23,
1954, the Commission established a 230-acre non-standard gas
proration unit in the Eumont Gas Pool comprising Lots 9, 10, 11,
12, 13, and 14 of Section 6, Township 21 South, Range 36 East,
NMPM, Lea County, New Mexico, to be dedicated to the El Paso
Natural Gas Company Shell State Well No. 9, located 3622 feet
from the North line and 1980 feet from the West line of said
Section 6.

(3) That the applicant, El Paso Natural Gas Company, now
seeks the establishment of a 230.32-acre non-standard gas prora-
tion unit in the Eumont Gas Pool comprising all of Lots 9, 10,
11, 12, 13, and 14 of Section 6, Township 21 South, Range 36 East,

-2-

CASE No. 3662

Order No. R-3327

NMPM, Lea County, New Mexico, to be dedicated to its Shell State Com "E" Well No. 1 located at an unorthodox location for said pool 3300 feet from the North line and 1980 feet from the East line of said Section 6.

(4) That the applicant proposes to shut in its Shell State Well No. 9 and dedicate the acreage approved by Administrative Order NSP-45 to its Shell State Com "E" Well No. 1.

(5) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Shell State Com "E" Well No. 1.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That the subject application should be approved and should become effective the date a notice of disconnection is filed with the Commission for said Shell State Well No. 9.

(8) That Administrative Order NSP-45 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to complete its Shell State Com "E" Well No. 1 at an unorthodox location in the Eumont Gas Pool 3300 feet from the North line and 1980 feet from the East line of Section 6, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That a 230.32-acre non-standard gas proration unit in the Eumont Gas Pool comprising all of Lots 9, 10, 11, 12, 13, and 14 of Section 6, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the El Paso Natural Gas Company Shell State Com "E" Well No. 1.

(3) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 230.32 acres.

-3-

CASE No. 3662
Order No. R-3327


(4) That Administrative Order NSP-45 is hereby superseded.

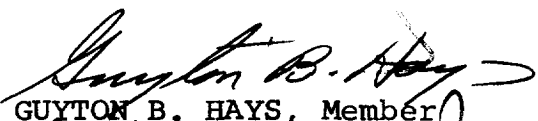
(5) That this order shall be effective the date a notice of disconnection is filed with the Commission for the El Paso Natural Gas Company Shell State Well No. 9.

(6) 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


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/