

Entered August 21, 1972
A.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. 4785
Order No. R-4368

APPLICATION OF GULF OIL
CORPORATION FOR REDEDICATION
OF ACREAGE AND A NON-STANDARD
PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 21st day of August, 1972, 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, Gulf Oil Corporation, is the operator of the Eunice King Wells Nos. 5 and 9, located, respectively, in Units F and G of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Orders Nos. NSP-597 and NSP-626 40-acre and 80-acre non-standard gas proration units in the Blinebry Gas Pool in Section 28 were established and dedicated to the Eunice King Wells Nos. 9 and 5 located, respectively, in Units G and F of said Section 28.

(4) That the applicant seeks the consolidation of the 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and the 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28, Township 21 South, Range 37 East, NMPM, Blinebry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit.

(5) Applicant also seeks permission to produce the allowable assigned to said 120-acre unit from its Eunice King Wells Nos. 5 and 9 located, respectively, in Units F and G of said Section 28 in any proportion.

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(6) That the entire non-standard gas proration unit requested by the applicant may reasonably be presumed to be productive of gas from the Blinebry Gas Pool and can be efficiently and economically drained and developed by the aforesaid wells.

(7) That approval of the 120-acre non-standard gas proration unit as requested by the applicant will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry 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 will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That, effective September 1, 1972, the applicant, Gulf Oil Corporation, is hereby authorized to consolidate the 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 28 and the 80-acre non-standard proration unit comprising the W/2 NE/4 of Section 28, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to form a 120-acre non-standard proration unit and to dedicate said 120-acre unit to its Eunice King Wells Nos. 5 and 9.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be in the proportion that 120 acres bears to a standard unit size of 160 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of September 1, 1972, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of September 1, 1972, of the two individual units being consolidated.

(5) That Administrative Orders NSP-597 and NSP-626 are hereby superseded.

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

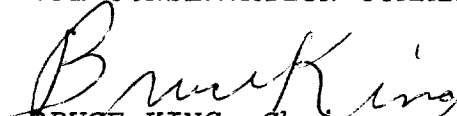
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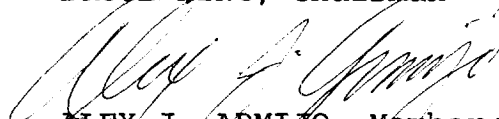
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIZO, Member


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

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