

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. 656
Order No. R-448

THE APPLICATION OF SUNRAY OIL CORPORATION
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF ORDER
NO. R-373-A IN ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 80 CONTIGUOUS ACRES CON-
SISTING OF EAST HALF OF THE NORTHEAST QUARTER
OF SECTION 21, TOWNSHIP 21 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN THE TUBB GAS
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Sunray Oil Corporation, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 21

containing 80 acres, more or less.

Entered 6-21-54 L.R.

(4) That applicant, Sunray Oil Corporation has obtained permission from the Commission to dually complete a well on aforesaid lease, the well known as the Elliott "A" No. 2, located in the SE/4 of the NE/4 of Section 21, Township 21 South, Range 37 East, NMPM.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated as the Tubb Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the NE/4 of Section 21, Township 21 South, Range 37 East, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Sunray Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 21

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Elliott "A" No. 2, located in the SE/4 NE/4 of Section 21, Township 21 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 80-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable being determined in accordance with the provisions of Rule 13 of Order No. R-373-A, or rules and orders succeeding thereto.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)