

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. 682
Order No. R-474

THE APPLICATION OF GROVER C. CONRAD
FOR AN ORDER GRANTING APPROVAL OF
AN EXCEPTION PURSUANT TO RULE 7 (a)
OF ORDER NO. R-368-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF
SOUTH HALF OF NORTHEAST QUARTER AND
EAST HALF OF SOUTHEAST QUARTER OF
SECTION 17, TOWNSHIP 26 SOUTH, RANGE 37
EAST, NMPM, LEA COUNTY, NEW MEXICO,
IN THE JALCO GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on March 17, 1954, and on April 13, 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-368-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, Grover C. Conrad, 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 26 SOUTH, RANGE 37 EAST, NMPM
S/2 NE/4 and E/2 SE/4 of Section 17.

containing 160 acres, more or less.

Entered 6-7-54 J. R.

(4) That applicant, proposes to drill a well on the aforesaid lease to be located 1980' from the North line and 660' from the East line of Section 17, Township 26 South, Range 37 East.

(5) That the aforesaid well is to be located within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the East half of Section 17, Township 26 South, Range 37 East, NMPM, and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Jalco 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 Grover C. Conrad for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
S/2 NE/4 and E/2 SE/4 of Section 17

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

(2) That applicant's well to be located in the SE/4 NE/4 of Section 17, Township 26 South, Range 37 East, NMPM, shall be granted an allowable in accordance with the rules of the Commission in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

(S E A L)

R. R. SPURRIER, Secretary and Member