

Entered November 2, 1974
R.F.D.

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. 5360
Order No. R-4908

APPLICATION OF CONTINENTAL OIL
COMPANY FOR TWO NON-STANDARD GAS
PRORATION UNITS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 30, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of November, 1974, 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, Continental Oil Company, seeks approval for the two following non-standard gas proration units in the irregular Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico:

A 480-acre unit comprising all of Lots 1, 2, and 3, 6 through 11, and 14, 15, and 16 of said Section 4 to be dedicated to the Meyer B-4 Well No. 14, located in Unit G; and

a 240-acre unit comprising the SE/4 and E/2 SW/4 of said Section 4 to be dedicated to the Meyer B-4 Well No. 4, located in Unit S.

(3) That the entire non-standard proration units may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

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(4) That the aforesaid Meyer B-4 Well No. 4 is currently assigned to a 640-acre proration unit which has an underproduced status, and the aforesaid Meyer B-4 Well No. 14 is currently dedicated to a 640-acre proration unit which has an overproduced status.

(5) That one-third of the underproduction currently attributed to the said Meyer B-4 Well No. 4 should be transferred to the said Meyer B-4 Well No. 14, and credited to said well's overproduced status.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas Pool, will 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the two following non-standard gas proration units in the irregular Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby approved:

A 480-acre unit comprising all of Lots 1, 2, and 3, 6 through 11, and 14, 15, and 16 of said Section 4 to be dedicated to the Meyer B-4 Well No. 14, located in Unit G; and

a 240-acre unit comprising the SE/4 and E/2 SW/4 of said Section 4 to be dedicated to the Meyer B-4 Well No. 4, located in Unit S.

(2) That one-third of the underproduction attributed to said Meyer B-4 Well No. 4 is hereby transferred to the aforesaid Meyer B-4 Well No. 14, to be credited against said well's overproduced status.

(3) That the effective date of this order shall be December 1, 1974.

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

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


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

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