

**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. 742
Order No. R-505

THE APPLICATION OF R. OLSEN OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (A) OF ORDER
NO. R-372-A IN ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF NW/4 SW/4, SW/4 NW/4, N/2 NW/4 OF
SECTION 25, TOWNSHIP 22 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN THE BLINEBRY
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 21, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 12th day of August, 1954, the Commission, a quorum being present, having considered the testimony presented at said hearing, 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-372-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, R. Olsen Oil Company, 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 22 SOUTH, RANGE 37 EAST, NMPM
NW/4 SW/4, SW/4 NW/4, N/2 NW/4 of Section 25

containing 160 acres, more or less.

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(4) That applicant, R. Olsen Oil Company, has a producing well on the aforesaid lease known as Drinkard No. 1, located 330 feet from the north line and 1650 feet from the west line of Section 25, Township 22 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-372-A, and is located within the limits of the pool heretofore delineated and designated as the Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the W/2 of Section 25, Township 22 South, Range 37 East, NMPM, and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 160 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 Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of R. Olsen Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
NW/4 SW/4, SW/4 NW/4, N/2 NW/4 of Section 25

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

(2) That applicant's well, Drinkard No. 1, located in the NE/4 NW/4 of Section 25, Township 22 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954, 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, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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