

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. 824
Order No. R-605

THE APPLICATION OF TIDE WATER
ASSOCIATED OIL COMPANY FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION TO RULE 7 OF ORDER
R-375-A, THE SPECIAL RULES AND
REGULATIONS FOR THE JUSTIS GAS
POOL, IN THE FORMATION OF A 160-
ACRE NON-STANDARD GAS PRORATION
UNIT CONSISTING OF THE SE/4 NW/4,
W/2 NE/4, AND NE/4 NE/4 OF SECTION
24, TOWNSHIP 25 SOUTH, RANGE 37
EAST, NMPM, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of March, 1955, 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 the Special Rules and Regulations for the Justis Gas Pool, as set forth in Order No. R-375-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, Tide Water Associated 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:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SE/4 NW/4, W/2 NE/4, and NE/4 NE/4 of Section 24

containing 160 acres, more or less.

Entered March 10, 1955

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(4) That applicant, Tide Water Associated Oil Company, has a producing gas well on the aforesaid lease, known as the A. B. Coates "C" Well No. 1, located in SE/4 NW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, within the horizontal limits of the Justis Gas Pool.

(5) That it is impractical to pool applicant's said lease with adjoining acreage in Section 24, and that the owners of adjoining acreage have not objected to the formation of the proposed 160-acre proration unit.

(6) That all of the above-described acreage in the proposed unit is reasonably presumed to be productive of gas from the Justis Gas Pool, and that unless a proration unit consisting of said acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas from the Justis Gas Pool.

(7) 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 Tide Water Associated Oil Company for approval of a 160-acre non-standard gas proration unit consisting of the following described acreage:

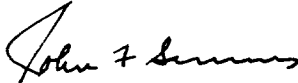
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SE/4 NW/4, W/2 NE/4, and NE/4 NE/4 of Section 24

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

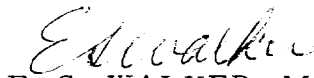
(2) That applicant's well, A. B. Coates "C" Well No. 1, located in SE/4 NW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 160-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

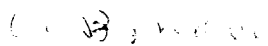
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

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