

Entered October 24, 1955 157  
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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. 933  
Order No. R-694

THE APPLICATION OF JOHN M. KELLY  
FOR AN ORDER GRANTING APPROVAL  
OF AN EXCEPTION PURSUANT TO RULE  
5 (a) OF THE SPECIAL RULES AND  
REGULATIONS OF THE EUMONT GAS POOL  
OF ORDER NO. R-520 IN ESTABLISHMENT  
OF AN UNORTHODOX GAS PRORATION UNIT  
OF 400 CONTIGUOUS ACRES CONSISTING OF  
S/2 SECTION 12, TOWNSHIP 19 SOUTH, RANGE  
36 EAST, N/2 SW/4 SECTION 7, TOWNSHIP 19  
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 July 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-after referred to as the "Commission".

NOW, on this 13<sup>th</sup> day of October, 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 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, John M. Kelly is the owner of state oil and gas leases in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
S/2 Section 12

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
N/2 SW/4 Section 7

containing 400 acres, more or less.

(4) That applicant, John M. Kelly, has a producing well on the aforesaid state leases known as Phillips-State Well No. 1, located 660 feet from the East line and 660 feet from the South line of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed and in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 400 acres.

(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 Eumont 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 John M. Kelly for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
S/2 Section 12

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
N/2 SW/4 Section 7

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

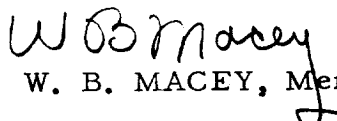
(2) That applicant's well, Phillips-State No. 1, located in the SE/4 SE/4 Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, Eumont Gas Pool shall be granted an allowable in the proportion that the above described 400 acre unit bears to the standard or orthodox proration unit 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