

Entered January 16, 1956  
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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. 987  
Order No. R-741

THE APPLICATION OF CITIES SERVICE OIL  
COMPANY FOR AN ORDER GRANTING APPROVAL  
OF AN EXCEPTION PURSUANT TO RULE 5 (a)  
OF THE SPECIAL RULES AND REGULATIONS  
FOR THE EUMONT GAS POOL AS SET FORTH IN  
ORDER NO. R-520 IN ESTABLISHMENT OF A  
NON-STANDARD GAS PRORATION UNIT OF 320  
CONTIGUOUS ACRES CONSISTING OF N/2 OF  
SECTION 32, TOWNSHIP 21 SOUTH, RANGE 36  
EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 11 o'clock a.m. on December 21, 1955, at Hobbs, New Mexico, before Warren W. Mankin, Examiner, duly appointed by the Oil Conservation Commission of the State of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 12<sup>th</sup> day of JANUARY, 1956, the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application, the transcript of testimony and record and the recommendations of the Examiner, Warren W. Mankin, 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, as set forth in Order No. R-520, the Commission has power and authority to permit the formation of the gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Cities Service Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section and described as follows, to-wit:

Township 21 South, Range 36 East, NMPM  
N/2 Section 32

containing 320 acres, more or less.

(4) That applicant, Cities Service Oil Company, has a producing well on the aforesaid lease known as State "D" No. 3 located 660' from the East line and 660' from the North line of Section 32, Township 21 South, Range 36 East, NMPM.

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(5) That 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 320 acrae.

(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 protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Cities Service Oil Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following described acreage:

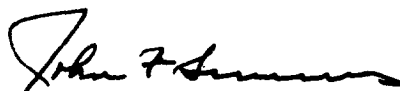
Township 21 South, Range 36 East, NMPM, Lea County, New Mexico  
N/2 Section 32

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

(2) That applicant's well, State "D" No. 3 located in the NE/4 of the NE/4 of Section 32, Township 21 South, Range 36 East, in the Eumont Gas Pool, be and the same is hereby granted an allowable in the proportion that the above-described 320 acre unit bears to the standard 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. SIMS, Chairman

  
E. S. WALKER, Member

  
W. B. MACEY, Member & Secretary

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