

Entered March 21, 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. 1011
Order No. R-762

THE APPLICATION OF SCHERMERHORN
OIL CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS FOR
THE JALMAT GAS POOL AS SET FORTH
IN ORDER NO. R-520 IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT
OF 320 CONTIGUOUS ACRES IN LEA COUNTY,
NEW MEXICO, CONSISTING OF SE/4 SECTION
24 AND THE NE/4 SECTION 25, TOWNSHIP
22 SOUTH, RANGE 35 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on February 8, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 22nd day of March 1956, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application, the evidence 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 Jalmat Gas Pool as set forth in 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, Schermerhorn Oil Corporation is the owner of oil and gas leases in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

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SE/4 Section 24
NE/4 Section 25

containing 320 acres, more or less.

(4) That applicant, Schermerhorn Oil Corporation has a producing well on the aforesaid leases known as its Amerada-State No. 1, located 660 feet from the East line and 1,980 feet from the South line of Section 24, Township 22 South, Range 35 East.

(5) That the aforesaid well is located within the vertical and the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat 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 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 Jalmat 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 Schermerhorn Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Jalmat Gas Pool, Lea County, New Mexico:

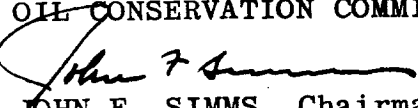
TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
SE/4 Section 24
NE/4 Section 25

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

(2) That applicant's well, Amerada State Well No. 1, located in the NE/4 of the SE/4 of said Section 24, shall be 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. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

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