

*Entered April 11, 1956
A.L.P.*

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. 1027
Order No. R-782

THE APPLICATION OF KUTZ CANON
OIL AND GAS COMPANY FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 6 (a)
OF THE SPECIAL RULES AND REGULATIONS
OF THE WEST KUTZ-PICTURED CLIFFS GAS
POOL, SAN JUAN COUNTY, NEW MEXICO,
AS SET FORTH IN ORDER R-566-D IN THE
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 167.64 CONTIGUOUS
ACRES CONSISTING OF THE SW/4 OF
SECTION 30, TOWNSHIP 27 NORTH, RANGE
10 WEST, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause first came on for hearing at 9 o'clock a.m. on March 7, 1956 and again at 10 o'clock a.m. on March 19, 1956, at Santa Fe, 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, hereinafter referred to as the "Commission", a quorum being present, having considered said application, the evidence adduced 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 applicant, Kutz Canon Oil and Gas Company, is the owner of certain properties in San Juan County, New Mexico, the land consisting of other than a standard quarter section and described as follows, to-wit:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
SW/4 Section 30

containing 167.64 acres, more or less.

(3) That applicant, Kutz Canon Oil and Gas Company has a producing well on the aforesaid property known as its Kutz Well No. 4-M, located 790 feet from the South line and 900 feet from the West line of said Section 30.

(4) That the royalty is of common interest throughout, being that of the United States of America.

(5) 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 West Kutz-Pictured Cliffs Gas Pool.

(6) That the 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 Kutz Canon Oil and Gas Company for approval of a non-standard gas proration unit consisting of the following described acreage in the West Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico:

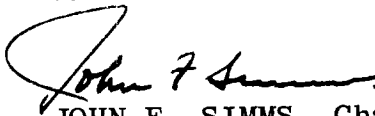
TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
SW/4 of Section 30

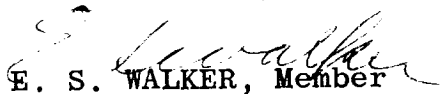
consisting of 167.64 acres, be and the same is hereby approved and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's Kutz Well No. 4-M, located 790 feet from the South and 900 feet from the West line of Section 30, Township 27 North, Range 10 West, San Juan County, New Mexico, shall be granted an allowable in the proportion that the above-described 167.64 acres bears to the standard proration unit of the said West Kutz-Pictured Cliffs Gas 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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