

Entered July 13, 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. 1079
Order No. R-834

THE APPLICATION OF STANOLIND OIL
AND GAS COMPANY FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 5 (a) OF THE SPECIAL
RULES AND REGULATIONS OF THE EUMONT
GAS POOL AS SET FORTH IN ORDER NO.
R-520 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF 240
CONTIGUOUS ACRES, CONSISTING OF THE
NW/4 AND W/2 NE/4 OF SECTION 22,
TOWNSHIP 20 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
June 14, 1956 at Santa Fe, New Mexico, before the Oil Conservation
Commission, hereinafter referred to as the "Commission".

NOW, on this 9th day of July 1956, 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 applicant, Stanolind Oil and Gas Company is
the owner of a certain federal oil and gas lease in Lea County,
New Mexico, the land consisting in part of other than a legal
section, and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and W/2 NE/4 Section 22

containing 240 acres, more or less.

(3) That applicant, Stanolind Oil and Gas Company has
a producing well on the aforesaid lease known as O. J. Gillully
"B" Well No. 4, located 340 feet from the North and West lines
of Section 22, Township 20 South, Range 37 East.

(4) That the aforesaid well was completed and in
production after 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.

(5) 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 240 acres.

(6) 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.

(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 Stanolind Oil and Gas Company for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the following described acreage, Lea County, New Mexico:

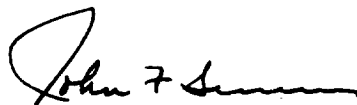
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and W/2 NE/4 Section 22


containing 240 acres more or less, be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

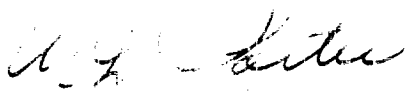
(2) That applicant's well, O. J. Gillully "B" Well No. 4, located in the NW/4 NW/4 Section 22, Township 20 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 240 acre unit bears to the standard proration unit for said pool, said allowable to become effective on July 1, 1956 or on the first of the month following submission by applicant of revised Form C-128 whichever date is later.

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


A. L. PORTER, Jr., Member & Secretary

S E A L

