

Entered July 13, 1956
A.L.B.

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. 1080
Order No. R-835

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 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 IN THE EUMONT
GAS POOL, LEA COUNTY, NEW MEXICO AND
CONSISTING OF THE E/2 SECTION 21,
TOWNSHIP 20 SOUTH, RANGE 37 EAST,
NMPM.

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 certain federal oil and gas leases in Lea County, New
Mexico, the land consists in part of other than a legal section,
and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 Section 21

containing 320 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. 6X located 390 feet from the North line and 660 feet
from the East line of Section 21, 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 320 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 consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico:

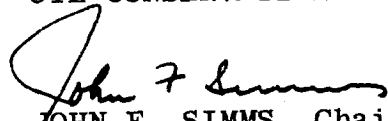
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 Section 21

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

(2) That applicant's well, O. J. Gillully "B" Well No. 6X, located in the NE/4 Section 21, Township 20 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 320 acre unit bears to the standard gas proration unit for said pool, said allowable to become effective on July 1, 1956 or on the first day of the month following the submission by the applicant of the 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