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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. 1123
Order No. R-858

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING APPROVAL OF A 200-ACRE
NON-STANDARD GAS PRORATION UNIT
IN THE EUMONT GAS POOL IN EXCEPTION
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT GAS
POOL AS SET FORTH IN ORDER R-520.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. on August 7, 1956 at Santa Fe, New Mexico, before Warren W. Mankin, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission's Rules and Regulations.

NOW, on this 16th day of August, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That Gulf Oil Corporation and Cities Service Oil Company are the owners of certain patented oil and gas leases in Lea County, New Mexico, a portion of which is described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NE/4, and the SE/4 NW/4 of Section 8

containing 200 acres, more or less.

(3) That Gulf Oil Corporation and Cities Service Oil Company have entered into an agreement to communitize their respective interests in the aforesaid acreage.

(4) That the communitization of the aforesaid acreage will promote conservation and protect correlative rights.

(5) That applicant, Gulf Oil Corporation is the owner and operator of a gas well on the aforesaid acreage known as the Bertie Whitmire Well No. 2, located 660 feet from the North line and 1980 feet from the East line of said Section 8, which is producing from the Eumont Gas Pool.

(6) That unless the subject communitization agreement and non-standard gas proration unit are approved, Gulf Oil Corporation and Cities Service Oil Company will be deprived of the opportunity to recover their just and equitable share of the natural gas in the Eumont Gas Pool.

(7) That creation of the proposed proration unit will not cause but will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

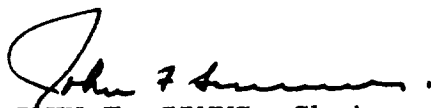
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NE/4, and the SE/4 NW/4 of Section 8

consisting of 200 acres, more or less, be and the same is hereby approved and created.


(2) That, contingent upon receipt by the Commission of an affidavit of communitization, the Gulf Oil Corporation's Bertie Whitmire Well No. 2, located in the NW/4 NE/4 of said Section 8 shall be designated as the unit well for the aforesaid proration unit and be granted an allowable in accordance with Rule 8 of Order R-520 in the proportion that the above-described 200 acres bears to the standard proration unit for the Eumont Gas Pool.

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