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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. 1110
Order No. R-864

THE APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION 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 155
CONTIGUOUS ACRES CONSISTING OF THE S/2
OF THE S/2 OF SECTION 18, TOWNSHIP 21
SOUTH, RANGE 36 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
July 25, 1956 at Hobbs, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the New Mexico Oil Conservation Com-
mission, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 31st day of August 1956, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Daniel
S. Nutter, 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, Continental Oil Company is the
owner of a 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 21 SOUTH, RANGE 36 EAST, NMPM
S/2 of the S/2 of Section 18

containing 155 acres, more or less.

(3) That applicant, Continental Oil Company, has' a producing well on the aforesaid lease known as the A. M. Lockhart "A-18" No. 1 Well located 330 feet from the South and East lines of said Section 18.

(4) 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 155 acres.

(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 Eumont Gas Pool.

(6) 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 Continental Oil Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
S/2 of the S/2 of Section 18

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

(2) That applicant's well, A. M. Lockhart "A-18" No. 1 Well, located in the SE/4 of the SE/4 of said Section 18 shall be granted an allowable according to Rule 8 of the Pool rules in the proportion that the above described 155 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


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

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