

Entered Nov. 29, 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. 1170  
Order No. R-920

THE APPLICATION OF SHELL OIL COMPANY  
FOR AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION TO RULE 5 (A) OF THE SPECIAL  
RULES AND REGULATIONS FOR THE BLINEBRY  
GAS POOL AS SET FORTH IN ORDER R-610,  
IN THE ESTABLISHMENT OF A NON-STANDARD  
GAS PRORATION UNIT OF 120 CONTIGUOUS  
ACRES CONSISTING OF LOTS 6, 10, AND 11,  
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 37  
EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m.  
on October 31, 1956, at Hobbs, New Mexico, before Warren W. Mankin,  
Examiner duly appointed by the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission," in accordance  
with Rule 1214 of the Commission's Statewide Rules and Regulations.

NOW, on this 27<sup>th</sup> day of November, 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 notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) The applicant, Shell Oil Company is the owner of  
a patented oil and gas lease in Lea County, New Mexico, the land  
consisting of other than a legal quarter section and described in  
part as follows:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 3: Lots 6, 10, and 11

containing 120 acres more or less.

(3) The applicant, Shell Oil Company has a producing  
well on the aforesaid lease known as Taylor Glenn No. 1, located  
3226 feet from the North line and 1980 feet from the West line of  
Section 3, Township 21 South, Range 37 East, NMPM, Lea County,  
New Mexico.

-2-

Case No. 1170  
Order No. R-920

(4) That the aforesaid well was dually completed in the Blinebry Gas Pool and the Drinkard Pool, said dual completion having been approved by Commission Order No. DC-293.

(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 Blinebry Gas Pool.

(6) The creation of a gas 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 Shell Oil Company for approval of 120 acre non-standard gas proration unit consisting of the following described acreage in the Blinebry Gas Pool:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 3: Lots 6, 10, and 11

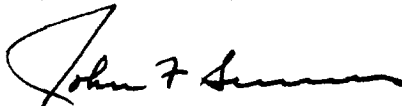
be and the same is hereby approved, and a proration unit consisting of the aforesaid acreages is hereby created.

(2) Applicant's Taylor Glenn Well No. 1, located on the above-described unit shall be granted an allowable in the proportion that the above-described 120 acre unit bears to the standard proration unit for said pool.

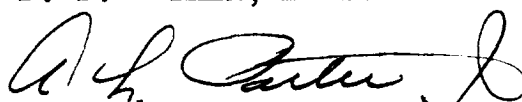
(3) That the effective date of said allowable shall be in accord with provisions of Rule 16 of the Special Rules and Regulations for the Blinebry Gas Pool as set forth in Order R-610.

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