

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. 663
Order No. R-453

THE APPLICATION OF SUN OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF
AN EXCEPTION PURSUANT TO RULE 7 (a)
OF ORDER NO. R-370-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF
WEST HALF OF THE WEST HALF OF SECTION
24, TOWNSHIP 19 SOUTH, RANGE 36 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN
THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, 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 pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.
- (3) That applicant, Sun Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
W/2 W/2 of Section 24

containing 160 acres, more or less.

(4) That applicant, Sun Oil Company, plans to drill a well on the aforesaid lease known as J. L. Barr, No. 2, to be located 1985' from the South line and 661' from the West line of Section 24, Township 19 South, Range 36 East.

(5) That the aforesaid well is to be located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 24, Township 19 South, Range 36 East, and that the owner of adjoining acreage in said half sections has not objected to the formation of the proposed proration unit of 160 acres.

(7) 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.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Sun Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

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W/2 W/2 of Section 24

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

(2) That applicant's well, J. L. Barr, No. 2, to be located in the NW/4 SW/4 of Section 24, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable to be determined in accordance with the provisions of Rule 13 of Order R-370-A, or rules and orders succeeding thereto.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

(S E A L)

R. R. SPURRIER, Secretary and Member