Entered Houman 9, 1967 aff.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3679 Order No. R-2854-A

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR THE AMENDMENT OF ORDER NO. R-2854, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>9th</u> day of November, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 cause and the subject matter thereof.

(2) That Order No. R-2854, dated December 28, 1964, amended Order No. R-1148, dated April 3, 1958, to establish a 160-acre nonstandard gas proration unit in the Tubb Gas Pool comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the J. R. Cone "A" Well No. 2 located in Unit L of said Section 26.

(3) That the applicant, Sinclair Oil & Gas Company, seeks the amendment of the aforesaid Order No. R-2854 to permit the applicant to substitute its J. R. Cone "B" Well No. 1 located in Unit N of the aforesaid Section 26 for the aforesaid J. R. Cone "A" Well No. 2 as the well to which the aforesaid non-standard gas proration unit is to be dedicated. -2-CASE No. 3679 Order No. R-2854-A

(4) That due to mechanical difficulties, the aforesaid J. R. Cone "A" Well No. 2 is presently only a marginal producer in the Tubb Gas Pool.

(5) That the aforesaid non-standard gas proration unit in the Tubb Gas Pool can be efficiently and economically drained and developed by the aforesaid J. R. Cone "B" Well No. 1.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Order No. R-2854, dated December 28, 1964, is hereby amended to establish a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the J. R. Cone "B" Well No. 1 located in Unit N of said Section 26.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

UXTON B. HAYS, Member

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

SEAL

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