

Entered November 19, 1971
A.B.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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4624
Order No. R-4224

APPLICATION OF GULF OIL
CORPORATION FOR A NON-STANDARD
GAS PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 17, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of November, 1971, 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 the applicant, Gulf Oil Corporation, is the owner and operator of two 160-acre non-standard gas proration units comprising the S/2 N/2 and the N/2 S/2, respectively, of Section 29, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the N/2 S/2 of said Section 29 is presently dedicated to the applicant's A. B. Reeves Well No. 1, located in Unit L of said Section 29.
- (4) That the S/2 N/2 of said Section 29 is presently dedicated to the applicant's A. B. Reeves Well No. 2, located in Unit E of said Section 29.

-2-

CASE NO. 4624
Order No. R-4224

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 320-acre non-standard unit comprising the S/2 N/2 and N/2 S/2 of Section 29, said unit to be simultaneously dedicated to its aforesaid A. B. Reeves Wells No. 1 and 2.

(6) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the A. B. Reeves Wells No. 1 and 2.

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

(9) That Administrative Orders NSP-93 and NSP-97 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective December 1, 1971, a 320-acre non-standard unit in the Eumont Gas Pool comprising the S/2 N/2 and N/2 S/2 of Section 29, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the A. B. Reeves Wells Nos. 1 and 2, located in Units L and E, respectively, of said Section 29.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 320-acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of December 1, 1971, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of December 1, 1971, of the two individual units being consolidated.

-3-

CASE NO. 4624

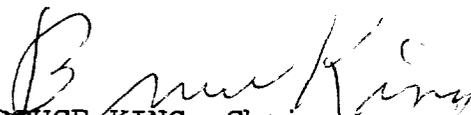
Order No. R-4224

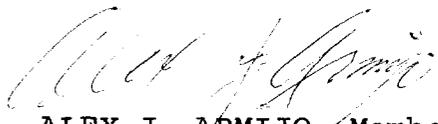
(5) That Administrative Orders NSP-93 and NSP-97 are hereby superseded.

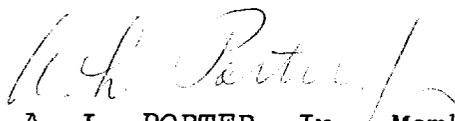
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

dr/