

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. 639
Order No. R-434

THE APPLICATION OF SKELLY OIL COMPANY,
APPEARING ON BEHALF OF PACIFIC WESTERN
OIL CORPORATION, FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT TO
RULE 7 (a) OF ORDER NO. R-370-A IN ESTABLISH-
MENT OF AN UNORTHODOX GAS PRORATION UNIT
OF 80 CONTIGUOUS ACRES CONSISTING OF THE
EAST HALF OF THE NORTHEAST QUARTER OF
SECTION 32, TOWNSHIP 20 SOUTH, RANGE 37
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 January 20, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 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, Pacific Western Oil Corporation, 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 20 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 32

containing 80 acres, more or less.

Entered 4-29-54 DR

(4) That applicant, Pacific Western Oil Corporation, has a producing well on the aforesaid lease known as State "D", No. 1 located 1980' from the North line and 660' from the East line of Section 32, Township 20 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is 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 NE/4 of Section 32, Township 20 South, Range 37 East, NMPM, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 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 Pacific Western Oil Corporation, for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
E/2 NE/4 of Section 32

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

(2) That applicant's well, State "D", Well No. 1, located in the SE/4 NE/4 of Section 32, Township 20 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

R. R. SPURRIER, Secretary and Member

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