

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. 677
Order No. R-455

THE APPLICATION OF MID-CONTINENT
PETROLEUM CORPORATION FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-372-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF
SOUTH HALF SOUTH HALF OF SECTION 16,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO IN THE BLINEBRY
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on March 17, 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-372-A, the Com-
mission 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, Mid-Continent Petroleum 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 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

containing 160 acres, more or less.

Entered 7-29-54 2R

(4) That applicant, Mid-Continent Petroleum Corporation, has obtained permission from the Commission to dually complete a well on aforesaid lease, the well, known as the No. 3, State '15', located 660 feet from the South line and 1980 feet from the East line of Section 16, Township 21 South, Range 37 East, NMPM, is to be dually completed in the Blinebry Gas Zone and Drinkard Oil Zone.

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

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the south half of Section 16, Township 21 South, Range 37 East, and that the owner of adjoining acreage in said half section has not objected to the formation of the proposed proration unit of 160 acres, but has expressly consented thereto.

(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 Blinebry 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 Mid-Continent Petroleum Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

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

(2) That applicant's well, State '15', No. 3, located in the SW/4 SE/4 of Section 16, Township 21 South, Range 37 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-372-A.

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

S E A L