

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. 746
Order No. R-518

THE AMENDED APPLICATION OF EL PASO
NATURAL GAS 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 234.81 CONTIGUOUS ACRES
CONSISTING OF LOTS 3, 4, 5, 6, 11 and 12 IN SECTION
2, TOWNSHIP 21 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 July 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 12th day of August, 1954, the Commission, a quorum being present, having considered the testimony adduced and the records in the case, 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 cause 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) (a) That applicant, El Paso Natural Gas 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 21 South, RANGE 36 East, NMPM
Lots 5, 6, 11 and 12 of Section 2

containing 160 acres, more or less.

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(b) That Amerada 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 36 EAST, NMPM
Lots 3 and 4 of Section 2

containing 74.81 acres, more or less.

(4) That applicant, El Paso Natural Gas Company, has a well on the aforesaid lease known as the Shell-State No. 5, located 3209 feet from the north line and 660 feet from the west line of Section 2, Township 21 South, Range 36 East.

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

(6) (a) That it is impractical to pool applicant's said lease with adjoining acreage in the north half of Section 2, Township 21 South, Range 36 East, and that owners of adjoining acreage in said half sections have not objected to the formation of the proposed proration unit of 234.81 acres, but have expressly consented thereto.

(b) That Amerada Petroleum Corporation has consented to the formation of the proposed proration unit.

(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 and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the amended application of El Paso Natural Gas Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Lots 3, 4, 5, 6, 11 and 12 of Section 2

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

(2) That applicant's well, Shell-State No. 5, located in Lot 12 of Section 2, Township 21 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 234.81-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, on the day and year hereinabove designated.

Oil Conservation Commission - Signed by: Edwin L. Mechem, Chairman;
E. S. Walker, Member; W. B. Macey, Member and Secretary.