

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. 821
Order No. R-591

THE APPLICATION OF THE TEXAS
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT
GAS POOL OF ORDER NO. R-520 IN
ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF E/2 SE/4 OF SECTION
24, TOWNSHIP 19 SOUTH, RANGE 36 EAST,
AND S/2 SW/4 OF SECTION 19, TOWNSHIP 19
SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 16, 1955, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of February, 1955, 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 5 (a) of the Special Rules and Regulations for Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, The Texas Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SE/4 of Section 24

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 19

Entered March 2, 1955
203,000,000

containing 160 acres, more or less.

(4) That applicant, The Texas Company, has a producing well on the aforesaid lease known as the State "G" Well No. 2, located 660 feet from the south and west lines of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well has been dually completed within the vertical and horizontal limits of the Eumont Gas Pool as delineated and designated in said Order No. R-520.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 160 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, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Texas Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 SE/4 of Section 24

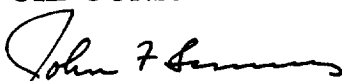
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 19

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

(2) That applicant's well, State "G" Well No. 2 located in the SW/4 SW/4 of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

S E A L