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. 855
Order No. R-622

THE APPLICATION OF THE TEXAS COMPANY FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION TO RULE 5 (a) OF ORDER NO. R-520 IN THE ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT IN THE EUMONT GAS POOL CONSISTING OF THE E/2 SW/4 AND S/2 SE/4 OF SECTION 12, TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY, NEW MEXICO, AND THE ASSIGNMENT OF SAID ACREAGE TO THE TEXAS COMPANY'S ROY RIDDEL WELL NO. 1 FOR GAS PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 20th day of April, 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 the provisions of Rule 5 (a) 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 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:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 and S/2 SE/4 of Section 12

containing 160 acres, more or less.

Entered April 21, 1955
WBM

(4) That applicant, The Texas Company, has a producing gas well on the aforesaid lease, known as the Roy Riddel, Well No. 1, located 660 feet from the south line and 1981 feet from the west line of Section 12, Township 21 South, Range 36 East, NMPM, Lea county, New Mexico.

(5) That the aforesaid well is located and completed within the horizontal and vertical limits of the Eumont Gas Pool.

(6) That Schermerhorn Oil Corporation, the owner of adjoining acreage in the said Section 12, has specifically protested and objected to the proposed proration unit of 160 acres applied for by the applicant.

(7) That the applicant herein, The Texas Company, has attempted to secure approval from the royalty interests in the above-described acreage to pool or communitize the aforesaid acreage with that of the Schermerhorn Oil Corporation, without success, and therefore

(8) That it is impractical to force the pooling of applicant's said lease with adjoining acreage in said Section 12.

(9) 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, and

(10) 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 a non-standard gas proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
E/2 SW/4 and S/2 SE/4 of Section 12

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

(2) That applicant's well, Roy Riddel Well No. 1, located 660 feet from the south line and 1981 feet from the west line of Section 12, Township 21 South, Range 36 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, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms

JOHN F. SIMMS, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macey

W. B. MACEY, Member and Secretary

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