

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. 897  
Order No. R-654

THE APPLICATION OF THE M. S. B. W.  
COMPANY FOR AN ORDER GRANTING  
APPROVAL OF AN EXCEPTION PURSUANT  
TO RULE 6 (a) OF THE SPECIAL RULES  
AND REGULATIONS FOR THE FULCHER  
KUTZ-PICTURED CLIFFS GAS POOL OF  
ORDER NO. R-565, AND THE ESTABLISHMENT  
OF A 140-ACRE UNORTHODOX GAS PRORATION  
UNIT CONSISTING OF SE/4 NW/4, NE/4 SW/4,  
NW/4 SE/4 AND THE SE/2 NE/4 NW/4 OF  
SECTION 33, TOWNSHIP 30 NORTH, RANGE 12  
WEST, NMPM, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20<sup>th</sup> day of June, 1955, the Commission, a quorum being present and 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 6 (a) of the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool of Order No. R-565, 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, M. S. B. W. Company, is the owner of an oil and gas lease in San Juan County, New Mexico, the land consisting of other than a legal section and described as follows:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM  
SE/4 NW/4, NE/4 SW/4, NW/4 SE/4,  
and SE/2 NE/4 NW/4 of Section 33

containing 140 acres, more or less.

(4) That applicant, M. S. B. W. Company, has a producing gas well on the aforesaid lease known as the Hargis Well No. 2, located 2310 feet FSL and 2170 feet FEL of Section 33, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

*Entered for record June 25, 1955*  
*Wam*

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(5) That the aforesaid well is located within the horizontal limits of the Fulcher Kutz-Pictured Cliffs Gas Pool, as delineated and designated by Order No. R-565.

(6) 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 natural gas in the Fulcher Kutz-Pictured Cliffs Gas Pool.

(7) That the creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the M. S. B. W. Company for approval of a 140-acre non-standard gas proration unit consisting of the following described acreage:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM  
SE/4 NW/4, NE/4 SW/4, NW/4 SE/4, and  
SE/2 NE/4 NW/4 of Section 33

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

(2) That applicant's well, Hargis Well No. 2, located in the NW/4 of the SE/4 of Section 33, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, shall be granted an allowable in proportion that the above described 140-acre unit bears to the standard or orthodox 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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