

Entered May 24, 1956
A.S.P.

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. 1042
Order No. R-803

THE APPLICATION OF SCHERMERHORN
OIL CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS FOR
THE EUMONT GAS POOL AS SET FORTH
IN ORDER NO. R-520 IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT
OF 400 CONTIGUOUS ACRES CONSISTING
OF NE/4, SE/4 SE/4, N/2 SE/4, E/2
NW/4, & NW/4 NW/4 SECTION 32, TOWN-
SHIP 18 SOUTH, RANGE 37 EAST, NMPM,
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on March 28, 1956 at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico and in accordance with Rule 1214 of the Commission's State-wide Rules and Regulations.

NOW, on this 16th day of May 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner Warren W. Mankin, 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 of the Eumont Gas Pool as set forth in 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, Schermerhorn Oil Corporation, is the owner of a patented oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section and described as follows:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
S/2 NE/4, NW/4 NE/4, SE/4 SE/4,
N/2 SE/4, E/2 NW/4 & NW/4 NW/4 Section 32

containing 360 acres, more or less.

(4) That Humble Oil & Refining Company is the owner of a state oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section and described as follows:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
NE/4 NE/4 Section 32

containing 40 acres, more or less.

(5) That applicant and Humble Oil and Refining Company are in the process of communitizing aforementioned acreage.

(6) That applicant, Schermerhorn Oil Corporation, has a producing well on the aforesaid lease known as Linam "A" No. 1, located 1980 feet from the South line and 1980 feet from the East line of Section 32, Township 18 South, Range 37 East, NMPM. Applicant proposes to dedicate aforesaid acreage to this well.

(7) 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 400 acres.

(8) 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.

(9) 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 Schermerhorn Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
NE/4, SE/4 SE/4, N/2 SE/4, E/2 NW/4 & NW/4 NW/4
Section 32

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

(2) That applicant's well, Linam "A" No. 1, located in the NW/4 SE/4 of said Section 32, shall be granted an allowable in the proportion that the above described 400-acre unit bears to the standard gas proration unit for said pool, said allowable to become effective on the first day of the month following submission by applicant of proof of communitization and revised Form C-128 to the Hobbs Office 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

A. L. Porter, Jr.
A. L. Porter, Jr., Member & Secretary

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