

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. 624
Order No. R-482

THE APPLICATION OF SOUTHERN UNION
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 120 CONTIGUOUS ACRES
CONSISTING OF EAST HALF SOUTHEAST QUARTER
AND NORTHWEST QUARTER SOUTHEAST QUARTER
OF SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37
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 December 17, 1953 at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th day of June, 1954, 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 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) That applicant, Southern Union 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 19 SOUTH, RANGE 37 EAST, NMPM
E/2 SE/4 and NW/4 SE/4 of Section 33.

containing 120 acres, more or less.

(4) That applicant, Southern Union Gas Company, has a producing well on the aforesaid lease known as Williams No. 2, located 1980' from the South line and 660' from the East line of Section 33, Township 19 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SE/4 of Section 33, Township 19 South, Range 37 East, and that the owner of adjoining acreage in said quarter section has not objected to the formation of the proposed proration unit of 120 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, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Southern Union Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
E/2 SE/4 and NW/4 SE/4 of Section 33

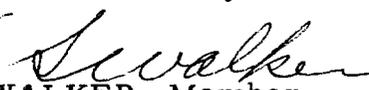
be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Williams No. 2, located in the NE/4 SE/4 of Section 33, Township 19 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 120 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


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRER, Secretary and Member

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