

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 CON-  
SIDERING:

CASE NO. 745  
Order No. R-517

THE APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR AN ORDER GRANTING APPROVAL  
OF AN EXCEPTION PURSUANT TO RULE 7 (a) OF  
ORDER NO. R-369-A IN ESTABLISHMENT OF AN  
UNORTHODOX GAS PRORATION UNIT OF 160  
CONTIGUOUS ACRES CONSISTING OF N/2 S/2 OF  
SECTION 2, TOWNSHIP 23 SOUTH, RANGE 36  
EAST, NMPM, LEA COUNTY, NEW MEXICO IN  
THE LANGMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. , on July 15, 1954,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-  
after referred to as the "Commission".

NOW, on this 12<sup>th</sup> day of August, 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-369-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, El Paso Natural 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:

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N/2 S/2 of Section 2

containing 160 acres, more or less.

(4) That applicant, El Paso Natural Gas Company, proposes to drill  
a well on the aforesaid lease to be known as Shell-State, No. 4, located 1980'  
from the South line and 1980' from the West line of Section 2, Township 23  
South, Range 36 East.

(5) That the aforesaid well be located within the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the S/2 of Section 2, Township 23 South, Range 36 East, and that the owners of adjoining acreage in said half section 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 Langmat 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 El Paso Natural Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

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

(2) That applicant's well, Shell State No. 4, located in the NE/4 SW/4 of Section 2, Township 23 South, Range 36 East, NMPM, 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

  
EDWIN L. MECHEM, Chairman

  
E. S. WALKER, Member

  
W. B. MACEY, Secretary and Member

(S E A L)