

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. 800  
Order No. R-574

THE APPLICATION OF NEVILLE G.  
PENROSE, INC., FOR AN ORDER  
AUTHORIZING THE FORMATION AND  
ESTABLISHMENT OF A NON-STANDARD  
GAS PRORATION UNIT OF 160 CONTIGUOUS  
ACRES CONSISTING OF THE S/2 SE/4 OF  
SECTION 7, AND THE W/2 SW/4 OF SECTION  
8, TOWNSHIP 21 SOUTH, RANGE 37 EAST,  
NMPM, LEA COUNTY, NEW MEXICO, IN THE  
EUMONT GAS POOL, AND FOR THE ASSIGN-  
MENT OF THE ACREAGE IN SUCH UNIT TO  
THE NEVILLE G. PENROSE, INC., ALVES  
WELL NO. 3 FOR GAS PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. , on December 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this <sup>th</sup> 13 day of January, 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 the 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 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 the applicant, Neville G. Penrose, Inc., 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:

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S/2 SE/4 Section 7, and W/2 SW/4 Section 8

containing 160 acres, more or less, and lying within the horizontal limits of the Eumont Gas Pool as extended by Order R-569.

(4) That the applicant, Neville G. Penrose, Inc., has a producing gas well on the aforesaid lease known as the Penrose Alves Well No. 3, located in the SE/4 SE/4 of Section 7, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed within the vertical limits of the Eumont Gas Pool, prior to 1954.

(6) That it is impractical to pool the applicant's lease with adjoining acreage in either of the aforementioned sections, and that the owners of adjoining acreage in said areas have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of the applicant's aforesaid acreage is permitted, the applicant will be deprived of the opportunity to recover its just and equitable share of natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit comprising the aforementioned acreage will not cause but will prevent waste, and will protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the application of Neville G. Penrose, Inc., for approval of a non-standard gas proration unit consisting of the following described acreage:

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S/2 SE/4 Section 7, and W/2 SW/4 Section 8

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

(2) That, for the purpose of gas proration in the Eumont Gas Pool, applicant's well, the Alves Well No. 3, located in SE/4 SE/4 Section 7, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an increased allowable from the 1st day of February, 1955, in the proportion that the above-described 160-acre unit bears to the standard gas proration unit for the Eumont Gas 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

