

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. 866
Order No. R-618

THE APPLICATION OF SCHERMERHORN
OIL CORPORATION FOR AN ORDER GRANT-
ING APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF ORDER NO. R-520 IN THE
ESTABLISHMENT OF A 320-ACRE NON-
STANDARD GAS PRORATION UNIT IN THE
EUMONT GAS POOL, CONSISTING OF LOTS
11, 12, 13, 14 and SW/4 OF SECTION 5, TOWN-
SHIP 21 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO, AND THE ASSIGN-
MENT OF SAID ACREAGE TO THE CURRIE WELL
NO. 1, SE/4 SW/4 OF SAID SECTION 5, FOR GAS
PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20th day of April, 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 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 5 (a) of the Special Rules and Regulations for 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, Schermershorn Oil Corporation, is the 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:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Lots 11, 12, 13, 14 and SW/4 of Section 5

containing 320 acres, more or less.

(4) That applicant, Schermerhorn Oil Corporation, has a producing gas well on the aforesaid lease known as the Currie Well No. 1, located in the SE/4 SW/4 of said Section 5, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well is completed within the vertical interval of the Eument Gas Pool and is located adjacent to the Eument Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Eument Gas Pool and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 320 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 natural gas in the Eument 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 Schermerhorn Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Lots 11, 12, 13, 14 and SW/4 of Section 5

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

(2) That applicant's well, Currie Well No. 1, located in the SE/4 SW/4 of Section 5, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 320-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, 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

