

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 867
Order No. R-615**

**THE APPLICATION OF SHELL OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT GAS
POOL (ORDER NO. R-520) IN THE ESTABLISH-
MENT OF A NON-STANDARD GAS PRORATION
UNIT CONSISTING OF LOTS 1, 2, 7, 8, 9, 10,
15 AND 16, OF SECTION 1, TOWNSHIP 21 SOUTH,
RANGE 35 EAST, NMPM, LEA COUNTY, NEW
MEXICO, AND THE ASSIGNMENT OF SAID
ACREAGE TO THE SHELL STATE "M", WELL
NO. 4, LOCATED IN THE CENTER OF LOT 16,
SECTION 1, TOWNSHIP 21 SOUTH, RANGE 35
EAST, NMPM, LEA COUNTY, NEW MEXICO.**

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 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, Shell Oil Company, 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 35 EAST, NMPM
Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 1**

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containing 315.34 acres, more or less, lying within the horizontal limits of the Eumont Gas Pool.

(4) That applicant, Shell Oil Company, has a producing well on the aforesaid lease known as the Shell State "M" Well No. 4, located in the center of Lot 16, Section 1, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

(5) 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 315-acre proration unit.

(6) 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.

(7) 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 Shell Oil Company for approval of a non-standard gas proration unit consisting of the following described acreage:

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Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 1

containing 315.34 acres more or less, be and the same is hereby approved and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That applicant's well, Shell State "M", Well No. 4, located in the center of Lot 16, Section 1, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 315-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

