

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. 1050
Order No. R-806

THE APPLICATION OF TRES OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO
RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT
GAS POOL AS SET FORTH IN ORDER
NO. R-520 IN THE ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF THE N/2 NW/4
SECTION 20 AND E/2 SW/4 SECTION
17, TOWNSHIP 22 SOUTH, RANGE 37
EAST, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on April 3, 1956 at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico in accordance with Rule 1214 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

NOW, on this 29th day of May 1956, the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission", a quorum being present, having considered said application, the evidence adduced, the recommendations of the Examiner, Warren W. Mankin, 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 applicant, Tres Oil Company is the operator and the owner of 50% of the working interest of state oil and gas lease No. D-934 covering the NW/4 NW/4 of Section 20, Township 22 South, Range 37 East, NMPM, consisting of 40 acres, applicant also owns 50% of the working interest of a fee lease covering the NE/4 NW/4 of Section 20, and SE/4 SW/4 of Section 17, Township 22 South, Range 37 East, consisting of 80 acres and applicant also owns 50% of the working interest of a federal lease covering the NE/4 SW/4 of Section 17, Township 22 South, Range 37 East, consisting of 40 acres.

(3) That C. H. Sweet and Rowan and Penrose each own 25% or the remainder of the working interest in the state, fee, and federal leases as listed in paragraph (2) above.

(4) That applicant, C. H. Sweet and Rowan and Penrose have agreed to communitize the subject leases, upon the approval of this unit by the Oil Conservation Commission.

(5) Applicant as operator, has drilled its State Well No. 1, located 660 feet from the North and West lines of Section 20, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Said well within the horizontal and vertical limits of the Eumont Gas Pool.

(6) 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 proration unit of 160 acres.

(7) 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 and related hydrocarbons in the Eumont 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 Tres Oil Company for approval of a 160 acre non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
N/2 NW/4 Section 20
E/2 SW/4 Section 17

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

(2) That applicant's well, State Well No. 1, located in the center of the NW/4 NW/4 of Section 20, Township 22 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above-described 160 acre unit bears to the standard proration unit for the Eumont Gas Pool. Said allowable to become effective on the date the well is connected to a pipeline or the first of the month following the date that an affidavit from the applicant of the successful communitization of the working interests is furnished the Hobbs office of the Oil Conservation Commission

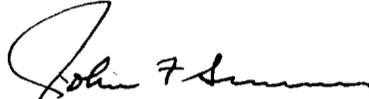
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or the submission of Forms C-104, C-110 and Gas Well Plat C-128, whichever date is later.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, member



A. L. PORTER, Jr., Member & Secretary



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