

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. 1168
Order No. R-926

THE APPLICATION OF SCHERMERHORN OIL
CORPORATION FOR AN ORDER GRANTING
AN EXCEPTION TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS OF THE
EUMONT GAS POOL AS SET FORTH IN
ORDER NO. R-520 IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT
OF 285 CONTIGUOUS ACRES, MORE OR LESS,
CONSISTING OF S/2 SW/4 AND NW/4 SW/4
SECTION 33, TOWNSHIP 18 SOUTH, RANGE
37 EAST, NMPM, AND THE NW/4 SECTION 4,
TOWNSHIP 19 SOUTH, RANGE 37 EAST.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 31, 1956 at Hobbs, New Mexico, before Warren W. Mankin,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of November, 1956, the Commission,
a quorum being present, having considered the 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 Com-
mission has jurisdiction of this case and the subject matter thereof.

(2) That applicant, Schermerhorn 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, a part of which is described
as follows, to-wit:

Township 18 South, Range 37 East, NMPM
Section 33: S/2 SW/4
NW/4 SW/4

Township 19 South, Range 37 East, NMPM
Section 4: NW/4

containing 285 acres, more or less.

(4) That applicant, Schermerhorn Oil Corporation has a producing well on the aforesaid lease known as Linam "B" No. 2, located 660 feet from the South line and 2310 feet from the West line of Section 33, Township 18 South, Range 37 East, NMPM, an unorthodox location.

(5) That applicant amended application at the hearing by motion, to request approval for said unorthodox location.

(6) That the aforesaid well was completed and in production subsequent to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(7) 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 285 acres.

(8) 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.

(9) 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 unorthodox location of Schermerhorn Oil Corporation's Linam "B" No. 2 Well, being 660 feet from the South line and 2310 feet from the West line of Section 33, Township 18 South, Range 37 East, NMPM, be and the same is hereby approved.

(2) That the application of Schermerhorn Oil Corporation for approval of a 285-acre, more or less, non-standard proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico

Township 18 South, Range 37 East, NMPM
Section 33: S/2 SW/4 and NW/4 SW/4

Township 19 South, Range 37 East, NMPM
Section 4: NW/4

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

(3) That applicant's well, Linam "B" No. 2, located in the SE/4 SW/4 of said Section 33, shall be granted an allowable in the proportion that the acreage in the above-described unit bears to the standard proration unit for said pool, said allowable

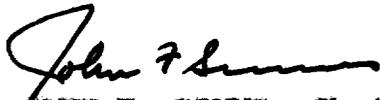
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Case No. 1168
Order No. R-926

to become effective in accordance with the provisions of Rule 12
as set forth in Order R-520.

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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