

*Entered October 24, 1955
WPM*

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. 946
Order No. R-699

THE APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN ORDER ESTABLISHING
TWO UNORTHODOX OIL PRORATION UNITS
IN THE SOUTH HALF OF FRACTIONAL SECTION
35, TOWNSHIP 26 SOUTH, RANGE 31 EAST,
NMPM, NORTH MASON-DELAWARE POOL,
EDDY COUNTY, NEW MEXICO, CONSISTING OF
LOTS 1, 2, 3 AND 4 OF SAID FRACTIONAL HALF
SECTION, CONTAINING 101.60 ACRES OF LAND,
MORE OR LESS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a. m. on August 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of October, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, 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 cause and the subject matter thereof.
- (2) That the S/2 of fractional Section 35, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, is composed of Lots 1, 2, 3 and 4 containing 25.55, 25.45, 25.35 and 25.25 acres of land respectively for a total of 101.60 acres.
- (3) That the acreage in question lies within the defined limits of the North Mason-Delaware Pool.
- (4) That a well drilled on Lot 1, would be entitled to only approximately 26/40 of the allowable assigned to a full 40-acre unit. That a well drilled on either lots 2, 3 or 4 would be entitled to only approximately 25/40 of the allowable.
- (5) That Continental Oil Company is the owner of an oil and gas lease covering, among other lands, the S/2 of fractional Section 35, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, and that applicant has heretofore completed wells in Lot 1 and Lot 3 of said Section 35, the wells being known as the E. T. Russell - Federal No. 1 and 5 respectively, being completed in the common source of supply heretofore designated as the North Mason-Delaware Pool.

(6) That applicant's well, E. T. Russell-Federal No. 1, will efficiently and economically drain the proposed oil proration unit consisting of Lots 1 and 2, that the formation of the proposed unit will not result in waste, but will prevent the drilling of unnecessary wells and will protect correlative rights.

(7) That applicant's well, E. T. Russell-Federal No. 5, will efficiently and economically drain the proposed oil proration unit consisting of Lots 3 and 4; that the formation of the proposed unit will not result in waste, but will prevent the drilling of unnecessary wells and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for approval of an unorthodox proration unit consisting of the following acreage in the North Mason-Delaware Pool:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Lots 1 and 2 of fractional Section 35

be, and the same hereby is approved, and an oil proration unit of the aforesaid acreage is hereby created.

(2) That applicant's well, E. T. Russell-Federal No. 1, located in lot 1 of fractional Section 35, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, shall be granted an allowable effective October 1, 1955, in the proportion that the above-described 51.0-acre unit bears to the standard proration unit for said pool.

(3) That the application of Continental Oil Company for approval of an unorthodox oil proration unit consisting of the following acreage in the North Mason-Delaware Pool:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Lots 3 and 4 of fractional Section 35

be, and the same is hereby approved, and an oil proration unit of the aforesaid acreage is hereby created.

(4) That applicant's well, E. T. Russell-Federal Well No. 5, located in Lot 3 of fractional Section 35, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, shall be granted an allowable effective October 1, 1955, in proportion that the above described 50.60 acre unit bears to the standard proration unit for said pool.

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

S E A L

