

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 CON-
SIDERING:

CASE NO. 702
ORDER NO. R-487

THE APPLICATION OF SCHERMERHORN
OIL CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
TO RULE 7 (a) OF ORDER NO. R-369-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 320 CONTIGUOUS ACRES
CONSISTING OF THE EAST HALF OF SECTION
28, TOWNSHIP 24 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO, IN THE
LANGMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on May 19, 1954,
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this 7th day of July July, 1954, 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 provisions of Rule 7 (a) of Order No. R-369-A,
the Commission has power and authority to permit the formation of a gas pro-
ration unit consisting of other than a legal quarter section after notice and
hearing by the Commission.

(3) (a) 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 quarter section, and described as follows, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM.
NW/4 NE/4, S/2 NE/4, SE/4 of Section 28

containing 280 acres, more or less.

(b) That Gulf Oil Corporation is the owner of an oil and gas lease
in Lea County, New Mexico, the land consisting of other than a legal quarter
section, and described as follows, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM.
NE/4 NE/4 of Section 28

containing 40 acres, more or less.

(4) That applicant, Schermerhorn Oil Company, has a producing well on the aforesaid lease known as No. 3, Woolworth, located 2310' from the South line and 2310' from the East line of Section 28, Township 24 South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-369-A, and is located within the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That Gulf Oil Corporation has consented to the formation of the proposed unit.

(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 Schermerhorn Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM.
E/2 of Section 28

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

(2) That applicant's well, Woolworth, No. 3, located in the NW/4 SE/4 of Section 28, Township 24 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 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, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member