

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. 741  
ORDER NO. R-504

THE APPLICATION OF R. OLSEN OIL COMPANY  
FOR AN ORDER GRANTING APPROVAL OF AN  
EXCEPTION PURSUANT TO RULE 7(A) OF ORDER  
NO. R-372-A IN ESTABLISHMENT OF AN UN-  
ORTHODOX GAS PRORATION UNIT OF 160 CON-  
TIGUOUS ACRES CONSISTING OF SE/4 NW/4,  
NE/4 SW/4 AND S/2 SW/4 OF SECTION 25,  
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NNPM,  
IN THE BLINEBRY GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 21, 1954,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter  
referred to as the "Commission."

NOW, on this 12<sup>th</sup> day of August, 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-372-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) That applicant, R. Olsen Oil Company, 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:

Township 22 South, Range 37 East, NNPM  
SE/4 NW/4, NE/4 SW/4, S/2 SW/4  
of Section 25

containing 160 acres, more or less.

(4) That applicant, R. Olsen Oil Company, has a producing well on  
the aforesaid lease known as Sims No. 1, located 1980 feet from the north  
line and 1980 feet from the west line of Section 25, Township 22 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-372-A, and is located  
within the limits of the pool heretofore delineated and designated as the  
Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with  
adjoining acreage in the W/2 of Section 25, Township 22 South, Range 37  
East.

(7) 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 Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of R. Olsen Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

Township 22 South, Range 37 East, NMPM  
SE/4 NW/4, NE/4 SW/4, S/2 SW/4 of  
Section 25

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

(2) That applicant's well, Sims No. 1, located in the SE/4 NW/4 of Section 25, Township 22 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954, in the proportion that the above-described 160-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

*E L Mechem*  
Edwin L. Mechem, Chairman

*E S Walker*  
E. S. Walker, Member

*W B Macey*  
W. B. Macey, Member and Secretary

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