

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION COM-
MISSION OF THE STATE OF NEW MEXICO
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 742
ORDER NO. R-505

THE APPLICATION OF R. OLSEN OIL COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN EX-
CEPTION PURSUANT TO RULE 7(A) OF ORDER NO. R-372-A
IN ESTABLISHMENT OF AN UNORTHODOX GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES CONSISTING OF
NW/4 SW/4, SW/4 NW/4, N/2 NW/4 OF SECTION 25,
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMFM, LEA
COUNTY, NEW MEXICO, 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 of New
Mexico, hereinafter referred to as the "Commission."

NOW, on this 12th day of August, 1954, the Commission, a quorum
being present, having considered the testimony presented 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 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 proration
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, to-wit:

Township 22 South, Range 37 East, NMFM
NW/4 SW/4, SW/4 NW/4, N/2 NW/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 Drinkard No. 1, located 330 feet from the north line
and 1650 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,
NMFM, and that the owners of adjoining acreage in said quarter sections have not
objected to the formation of the proposed proration unit of 160 acres, but
have expressly consented thereto.

(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 and will protect correlative rights.

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
NW/4 SW/4, SW/4 NW/4, N/2 NW/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, Drinkard No. 1, located in the NE/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


Edwin L. Mechem, Chairman


E. S. Walker, Member


W. B. Macey, Member and Secretary

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