

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. 829
Order No. R-594

THE APPLICATION OF THE COMMISSION
UPON ITS OWN MOTION, DIRECTED TO
DRILLING AND EXPLORATION COMPANY,
INC., FOR RECONSIDERATION OF ADMINIS-
TRATIVE ORDER NSP-49 WHICH CREATED A
NON-STANDARD GAS PRORATION UNIT IN THE
EUMONT GAS POOL CONSISTING OF THE SW/4,
SW/4 NW/4 OF SECTION 19, TOWNSHIP 21 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on February 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of February, 1955, 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 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Drilling and Exploration Company, Inc., is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SW/4, SW/4 NW/4 of Section 19

containing 185 acres, more or less.

(4) That applicant, Drilling and Exploration Company, Inc., has a producing well on the aforesaid lease known as State "F" Well #3 located 1980 feet from the south line and 1815 feet from the west line of Section 19, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the above-described 185-acre non-standard gas proration unit has been producing under the provisions of Administrative Order NSP-49, and that Drilling and Exploration Company, Inc., was required to, and did, show cause why this 185-acre proration unit should not be reduced in size.

(6) 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 185-acres.

(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 Eumont 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 Drilling and Exploration Company, Inc., for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SW/4, SW/4 NW/4 of Section 19

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

(2) That applicant's well, State "F" Well No. 3, located in the NE/4 SW/4 of Section 19, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 185-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

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

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

