

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 1, 1955

Mr. B. E. Thompson
Division Production Manager
Gulf Oil Corporation
P.O. Drawer 1290
Fort Worth 1, Texas

Dear Sir:

We enclose a copy of Order R-671 issued on July 27, 1955,
by the Oil Conservation Commission in Case 917, which was heard
at the June 28th hearing upon your company's application.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Enclosure

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**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. 917
Order No. R-671**

**THE APPLICATION OF GULF OIL CORPORATION
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS OF THE
EUMONT GAS POOL OF ORDER NO. R-520 IN
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 240 CONTIGUOUS ACRES
CONSISTING OF THE SE/4 SECTION 17, AND THE
W/2 OF SW/4 OF SECTION 16, TOWNSHIP 19
SOUTH, RANGE 37 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 June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th day of July, 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, 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 section, and described as follows, to-wit:

**TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SE/4 of Section 17
W/2 SW/4 of Section 16**

containing 240 acres, more or less.

(4) That applicant, Gulf Oil Corporation has a producing well on the aforesaid lease known as Graham-State "G" Well No. 1, located 660 feet from the South line and 1980 feet from the East line of Section 17, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed as an oil well and in production in the Monument Oil Pool prior to August 12, 1954, the effective date of Order No. R-520, and later dually completed as a gas well in the Eumont Gas Pool, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(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 240 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 Gulf Oil Corporation, for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SE/4 of Section 17
W/2 SW/4 of Section 16

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

(2) That applicant's well, Graham-State "G" Well No. 1, located in the SW/4 SE/4 of Section 17, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 240 acre unit bears to the standard 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

John F. Simms
JOHN F. SIMMS, Chairman

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

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

