

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1955

Mr. John M. Kelly
P.O. Box 5671
Roswell, New Mexico

Dear Sir:

We enclose a copy of Order R-694, issued October 13, 1955,
by the Oil Conservation Commission in Case 933, which was heard
at the July 14th hearing.

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. 933
Order No. R-694

THE APPLICATION OF JOHN M. KELLY
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 AN UNORTHODOX GAS PRORATION UNIT
OF 400 CONTIGUOUS ACRES CONSISTING OF
S/2 SECTION 12, TOWNSHIP 19 SOUTH, RANGE
36 EAST, N/2 SW/4 SECTION 7, 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 July 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th day of October, 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, John M. Kelly is the owner of state oil and gas leases in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
S/2 Section 12

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4 Section 7

containing 400 acres, more or less.

Order No. R-694

(4) That applicant, John M. Kelly, has a producing well on the aforesaid state leases known as Phillips-State Well No. 1, located 660 feet from the East line and 660 feet from the South line of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was completed and in production prior to the effective date of Order No. R-520, 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 400 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 John M. Kelly for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
S/2 Section 12

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
N/2 SW/4 Section 7

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

(2) That applicant's well, Phillips-State No. 1, located in the SE/4 SE/4 Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, Eumont Gas Pool shall be granted an allowable in the proportion that the above described 400 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

