OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1955

Nr. Koss Kalone 200 West First Street Roswell, New Mexico

Dear Sir:

In behalf of your client, Gulf Oil Corporation, we enclose a copy of Orders R-689, Case 945; R-693, Case 920; R-695, Case 937; issued October 13, 1955, by the Oil Conservation Commission.

Very truly yours,

W. B. Macey Secretary - Director

WBM:brp Enclosures

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE CIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 937 Order No. R-695

THE APPLICATION OF GULF CIL CORPORATION FOR AN ORDER ESTABLISHING AN UNCRTHODOX OIL PRORATION UNIT IN THE SOUTH HALF OF FRACTIONAL SECTION 36, TOWN-SHIP 26 SOUTH, RANGE 31 EAST, NMPM, NORTH MASON-DELAWARE POOL, EDDY COUNTY, NEW MEXICO, CONSISTING OF LOTS 3 AND 4 OF SAID SECTION, CONTAIN-ING 50.6 ACRES OF LAND, MORE OR LESS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 17, 1955 and September 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this $\sqrt{3^{\frac{1}{2}}}$ day of October, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received 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 cause and the subject matter thereof.

(2) That Lots 3 and 4 of fractional Section 36, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, together contain 50.6 acres of land more or less.

(3) That the acreage in question lies within the defined limits of the North Mason-Delaware Pool.

(4) That a well drilled on either Lot 3 or 4 would be entitled to only approximately 25/40 of the allowable assigned to a full 40-acre unit.

(5) That Gulf Oil Corporation is the owner of an oil and gas lease covering, among other lands, Lots 3 and 4 of fractional Section 36, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, and that applicant proposes to drill a well in Lot 3, located 660 feet east of the west line and 1757 feet south of the north line of said fractional Section 36, the well to be -2-Order No. R-695

knows as the Eddy State "AG" No. 3, to be completed in the common source of supply heretofore designated as the North Mason-Delaware Pool.

(6) That applicant's proposed well, Eddy State "AG" No. 3, will efficiently and economically drain the proposed oil proration unit; that the formation of the proposed unit will not result in waste, but will prevent the drilling of unnecessary wells and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Cil Corporation for approval of an unorthodox oil proration unit consisting of the following acreage:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM Lots 3 and 4 of fractional Section 36

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

(2) That applicant's well, Eddy State "AG" No. 3, located in Lot 3 of fractional Section 36, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, North Mason-Delaware Pool, shall be granted an allowable effective on completion of well in the proportion that the abovedescribed 50.6 acre unit bears to the standard proration unit for said pool.

DCNE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

