

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 30, 1955

Mr. W. L. Hahn
The Texas Company
P.O. Box 1720
Ft. Worth, 1, Texas

Dear Sir:

We enclose a copy of Order R-734 issued December 14, 1955, by the Oil Conservation Commission in Case 974, which was heard on November 1st in Hobbs, New Mexico.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp

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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. 974
ORDER NO. R-734

THE APPLICATION OF THE TEXAS COMPANY
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 R-520 IN
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF SW/4 SE/4 SECTION 30 AND
N/2 NE/4 SECTION 31, TOWNSHIP 21 SOUTH,
RANGE 36 EAST, N. M. P. M., LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:30 o'clock p.m. on November 1, 1955, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico in accordance with Rule 1214 of Order R-681.

NOW, on this 14th day of December, 1955, the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission, a quorum being present, having considered said application, transcript of testimony and record, and the recommendations of the Examiner, Warren W. Mankin, 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 pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool of Order 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, The Texas Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, a part of which is described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SW/4 SE/4 Section 30
N/2 NE/4 Section 31

(4) That applicant, The Texas Company, has a producing well on the aforesaid portion of said lease known as the J. K. Rector Well No. 4 located 1980 feet from the East line and 660 feet from the South line of Section 30, Township 21 South, Range 36 East.

(5) That the aforesaid well was recompleted 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 at the time applicant submitted its application to the Commission, the N/2 NE/4 of Section 31, Township 21 South, Range 36 East, was within the horizontal limits of the Jalmat Gas Pool, but as a result of Order No. R-724, which followed the nomenclature hearing of November 16, 1955, said N/2 NE/4 of Section 31 is now part of the horizontal limits of the Eumont Gas Pool.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool and that the owners of the adjoining acreage in said area have not objected to the formation of the proposed proration unit of 120 acres.

(8) 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.

(9) That the 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 The Texas Company for approval of a non-standard proration unit in the Eumont Gas Pool consisting of the following acreage:

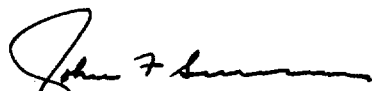
TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SW/4 SE/4 Section 30
N/2 NE/4 Section 31

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

(2) That applicant's well, the J. K. Rector Well No. 4 located in the SW/4 SE/4 Section 30, Township 21 South, Range 36 East, in the Eumont Gas Pool, shall be granted an allowable in the proportion that the above described 120 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, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

