BEFORE THE GIL 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. 1025 Order No. R-796

THE APPLICATION OF THE ORIO OIL COMPANY FOR AN GRDER GRANTING AN AMENDMENT TO AN EXISTING 320 ACRE NON-STANDARD GAS PRORATION UNIT SAID UNIT CONSISTING OF THE N/2 SECTION 11, TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM, TUBB GAS POOL, LEA COUNTY, NEW MEXICO. SAID UNIT TO BE DEDICATED TO APPLICANT'S LOU WORTHAN WELLS NO. 9 AND 11.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on March 1, 1956, 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 the Rules and Regulations of the New Mexico Gil Conservation Commission.

NOW, on this <u>of</u> day of April 1956, the Commission, a quorum being present, having considered the application and the evidence adduced 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 case and the subject matter thereof.

(2) That an unorthodox gas proration unit was granted applicant on November 17, 1954, by Order 2-545, said unit consisting of the N/2 of Section 11, Township 22 South, Range 37 East, and dedicated to applicant's Lou Worthan Well No. 9, located 1905 feet from the North line and 440 feet from the West line of said Section 11.

(3) That applicant is the owner of the working inverest in all the subject acreage below 4000 feet said acreage consisting of other than a legal quarter section and described as follows, to-wit:

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containing 320 acres more or less.

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(4) That applicant, The Chio Cil Company has a producing well on the aforesaid acreage known as its Lou Worthan Well No. 9, located 1905 feet from the North line and 440 feet from the West line of Section 11, Township 22 South, Range 37 East, NMPM, and is producing within the limits of the Tubb Gas Pool.

(5) That applicant proposes to dually complete in the Tubb Gas Pool its Lou Worthan Well No. 11, located 1905 feet from the North line and 2055 feet from the West line of said Section 11.

(6) That it is impractical to create two standard 160 acre units due to the location of the wells.

(7) That the Lou Worthan Well No. 9 is unable to produce the allowable for a 320 acre unit.

(8) That creation of a promation unit consisting of aforesaid acreage to be dedicated to the two aforementioned wells will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Ohio Oil Company for an order granting approval of a 320 acre non-standard gas proration unit in the Tubb Gas Pool consisting of the following acreage in Lea County, New Mexico.

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

(2) That applicant's Lou Worthan Well No. 9, located 1905 feet from the North line and 440 feet from the West line of Section 11, and applicant's Lou Worthan Well No. 11, located 1905 feet from the North line and 2055 feet from the West line of said Section 11, shall jointly be granted an allowable that the above described 320 acre unit bears to the standard proration unit for the Tubb Gas Pool, provided however, that not more than 50% of the allowable granted to the above described unit shall be produced from either well. The effective date of said allowable shall be the date of the successful dual completion in the Tubb Gas Pool of applicant's Lou Worthan Well No. 11, as reflected by the submission of Forms C-104, C-110 and C-128 or the date on which pipeline connectior is completed to Well No. 11, whichever date is later.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. STATE OF NEW MEXICO

OLL CONSERVATION COMMISSION JOHN F. SIMNS, Chairman Elee deva S. WALKER, Member EZ tu

A. L. MORTER, Jr.; Member & Secretary