

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. 1039
Order No. R-789

THE APPLICATION OF TIDE WATER
ASSOCIATED OIL COMPANY FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS
FOR THE EUMONT GAS POOL AS SET
FORTH IN ORDER NO. R-520 IN THE
ESTABLISHMENT OF A NON-STANDARD
GAS PROPORTION UNIT OF 113.4
CONTIGUOUS ACRES CONSISTING OF
THE SW/4 SW/4 SECTION 7, AND
N/2 NW/4 SECTION 18, TOWNSHIP
21 SOUTH, RANGE 37 EAST, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on March 19, 1956 at Santa Fe, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico in accordance with Rule 1214 of Order No. R-681.

NOW, on this 16th day of April 1956, the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission", a quorum being present, having considered said application, the evidence adduced, 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 applicant, Tide Water Associated Oil Company is the owner of state oil and gas lease No. E-11300 covering the NE/4 NW/4 of Section 18, Township 21 South, Range 37 East, NMPN, consisting of 40 acres and also the owner of state lease No. E-1057 covering the SW/4 SW/4 of Section 7, Township 21 South, Range 37 East, consisting of 36.69 acres.

(3) El Paso Natural Gas Company is the owner of gas rights under State Lease No. B-1167 covering the NW/4 NW/4 of Section 18, Township 21 South, Range 37 East, consisting of 36.71 acres.

(4) That applicant and El Paso Natural Gas Company have agreed to communitize the subject leases, upon the approval of this unit by the Oil Conservation Commission.

(5) Applicant as operator proposes to drill the Tide Water Associated Oil Company State "AF" Well No. 1, to be located in the center of the NE/4 NW/4 of Section 18, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Said well to be within the horizontal limits of 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 113.4 acres.

(7) 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 Tide Water Associated Oil Company for approval of a 113.4 acre non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico.

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
SW/4 SW/4 Section 7
N/2 NW/4 Section 18

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

(2) That applicant's well State "AF" Well No. 1, located in the center of the NE/4 NW/4 of Section 18, Township 21 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above-described 113.4 acre unit bears to the standard proration unit for the Eumont Gas Pool. Said allowable to become effective on the date the well is connected to a pipeline or the first of the month following the date that an affidavit of communitization of the working interests is furnished the Hobbs office of the Oil Conservation Commission or the submission of Forms C-104, C-110 and C-128, whichever date is later.

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

A. L. Porter
A. L. PORTER, Member and Secretary

