

**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. 1180  
Order No. R-943**

**THE APPLICATION OF JOHN M. KELLY  
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  
ESTABLISHMENT OF A NON-STANDARD  
GAS PRORATION UNIT OF 200 CONTIGUOUS  
ACRES CONSISTING OF NW/4 NE/4, SW/4  
NE/4, NW/4 SE/4 AND E/2 SW/4 SECTION  
16, 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 10 o'clock a.m. on  
November 28, 1956, at Hobbs, New Mexico, before Daniel S. Nutter,  
Examiner duly appointed by the New Mexico Oil Conservation Com-  
mission, hereinafter referred to as the "Commission," in accord-  
ance with Rule 1214 of the Commission Rules and Regulations.**

**NOW, on this 16<sup>th</sup> day of January, 1957, the Commission,  
a quorum being present, having considered the application, the  
evidence adduced and the recommendations of the Examiner, Daniel  
S. Nutter, and being fully advised in the premises,**

**FINDS:**

**(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this case and the subject  
matter thereof.**

**(2) That applicant, John M. Kelly, is the owner of the  
gas rights under the SW/4 NE/4, NW/4 SE/4 and E/2 SW/4 of Section  
16, Township 19 South, Range 37 East, NMPM, and Aztec Oil and Gas  
Company is the owner of the gas rights under the NW/4 NE/4 of said  
Section 16.**

**(3) That said parties have entered into a pooling agree-  
ment of the above-described lands insofar as the gas rights are  
concerned.**

**(4) That applicant, John M. Kelly, has a producing well  
on the aforesaid lease known as the Humble-State No. 1, located 1980  
feet from the South line and 1980 feet from the West line of said  
Section 16.**

(5) That the aforesaid well is presently assigned a 160-acre proration unit in the Eumont Gas Pool.

(6) That it is impractical to pool the acreage in the proposed proration unit with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to its formation.

(7) That unless a proration unit consisting of the aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his 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 gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico,

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM  
Section 16: NW/4 NE/4, SW/4 NE/4, NW/4 SE/4,  
E/2 SW/4

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

(2) That applicant's well, Humble-State No. 1, located 1980 feet from the South line and 1980 feet from the West line of said Section 16, shall be granted an allowable in the proportion that the above-described 200-acre unit bears to the standard proration unit in accordance with Rule 8 of the Special Rules and Regulations for the Eumont Gas 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

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

  
A. L. PORTER, Jr., Member & Secretary

