

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2009
Order No. R-1726

APPLICATION OF GULF OIL CORPORATION
FOR A 200-ACRE NON-STANDARD GAS PRO-
RATION UNIT IN THE BLINEBRY GAS POOL,
LEA COUNTY, NEW MEXICO, AND FOR AN
ORDER FORCE-POOLING THE INTERESTS
THEREIN.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 6, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 4th day of August, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 cause and the subject matter thereof.
- (2) That the applicant, Gulf Oil Corporation, is the operator of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the E/2 SW/4, SW/4 SW/4, and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, which unit was established by Commission Order No. R-857, dated August 16, 1956.
- (3) That the applicant seeks the approval of a 200-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the above-described 160-acre unit plus the contiguous 40-acre tract located in the NW/4 SW/4 of Section 23, which 200-acre unit is to be dedicated to the applicant's O. I. Boyd Well No. 3, located 1980 feet from the South line and 1980 feet from the West line of said Section 23.
- (4) That the above-described 200-acre tract can reasonably

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be presumed to be productive of gas from the Blinebry Gas Pool and the well to which the unit is to be dedicated can presently produce a 200-acre gas allowable.

(5) That a communitization agreement covering the above-described 200-acre unit has been executed, ratified, or consented to by a substantial majority of the owners of interest within said 200-acre unit.

(6) That inasmuch as the applicant, after diligent effort, has been unable to secure the consent and ratification of all interest owners, it seeks an order force-pooling all mineral interests in the said 200-acre non-standard gas proration unit in the Blinebry Gas Pool.

(7) That while a standard gas proration unit in the Blinebry Gas Pool is 160 acres, and while larger units will be granted only for the most compelling reasons, the establishment of the requested 200-acre non-standard gas proration unit in said pool and the force-pooling of all interests therein is necessary for the time being to secure to each interest owner his just and equitable share of the hydrocarbons thereunder, inasmuch as all surrounding acreage is presently dedicated to other Blinebry gas wells and a rededication of acreage to form standard units will take a considerable period of time.

(8) That by the process of communitization two 160-acre standard gas proration units can be established, one to consist of the SE/4 of said Section 23, the other to consist of the SW/4 of said Section 23.

(9) That in view of the above facts, the 200-acre non-standard gas proration unit proposed by the applicant should expire ipso facto two years from the date of this order. This two-year period should be sufficient for the parties owning interests in the S/2 of Section 23 to communitize to form two standard 160-acre units.

IT IS THEREFORE ORDERED:

(1) That a 200-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the SW/4 and the SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established for a two-year period. Said unit is to be dedicated to the O. I. Boyd Well No. 3, located 1980 feet from the South line and 1980 feet from the West line of said Section 23.

(2) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and

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associated liquid hydrocarbons, or either of them, from the Blinebry Gas Pool underlying the above-described 200-acre gas proration unit be and the same are hereby force-pooled.

(3) That the allowable assigned to the above-described 200-acre non-standard gas proration unit shall bear the same ratio to a standard allowable in the Blinebry Gas Pool as the acreage in said unit bears to the acreage in a standard gas proration unit in the Blinebry Gas Pool.

(4) That the applicant shall segregate all payments due to the non-consenting interest owners.

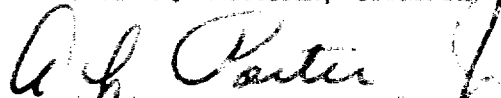
(5) That the 200-acre non-standard gas proration unit herein established shall terminate two years from the date of this order.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN BURROUGES, Chairman


MURRAY E. MORGAN, Member
A. L. PORTER, Jr., Member & Secretary