

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. 763
Order No. R-539

THE APPLICATION OF THE TEXAS COMPANY
FOR AN ORDER GRANTING APPROVAL OF AN
EXCEPTION TO RULE 5 (b) (EUMONT) OF
ORDER NO. R-520 IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 160
CONTIGUOUS ACRES CONSISTING OF E/4 NE/4,
SECTION 26 AND W/2 NW/4, SECTION 25, BOTH
IN TOWNSHIP 19 SOUTH, RANGE 36 EAST, LEA
COUNTY, NEW MEXICO, IN THE EUMONT GAS
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on October 20, 1954,
at Hobbs, New Mexico, before the Oil Conservation Commission, hereinafter
referred to as the "Commission".

NOW, on this 8th. day of November, 1954, the Commission, a quorum
being present, having considered the records and testimony adduced, 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 pursuant to provisions of Rule 5 (b) (Eumont) of Order No. 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,
and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 NE/4 of Section 26 and W/2 NW/4 of Section 25

containing 160 acres, more or less.

Order No. R-539

(4) That applicant, The Texas Company, has a producing well on the aforesaid lease known as Wm. Weir #1, located 1980 feet from the North line and 660 feet from the West line of Section 25, Township 19 South, Range 36 East.

(5) That the aforesaid well was completed and in production as an oil well producing from the Eunice-Monument Oil Pool prior to August 12, 1954, 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; that the applicant has received authorization in Commission Order No. DC-163 to dually complete the said well so as to produce gas from the Queen formation of the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the area, due to the prior granting by this Commission of other unorthodox gas proration units to other operators in the said area; that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 160 acres.

(7) 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.

(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 The Texas Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 NE/4 of Section 26 and W/2 NW/4 of Section 25

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

(2) That applicant's well, Wm. Weir #1, located in the W/2 NW/4 of Section 25, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 160 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, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9834
Order No. R-539-A

APPLICATION OF TEXACO INC. FOR
A NON-STANDARD GAS PRORATION UNIT,
TWO UNORTHODOX GAS WELL LOCATIONS
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 13, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of January, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-539, dated November 8, 1954, the Division, upon the application of The Texas Company, established a 160-acre non-standard Eumont gas proration unit comprising the E/2 NE/4 of Section 26, and the W/2 NW/4 of Section 25, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be dedicated to the William Weir Well No. 1, located 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 25.

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(3) By Order No. NSP-165, dated July 16, 1955, the Division, upon the application of The Texas Company, further established a 160-acre non-standard Eumont gas proration unit comprising the SE/4 SW/4, NE/4 SE/4, and the S/2 SE/4 of Section 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be dedicated to the William Weir Well No. 2, located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 23.

(4) The applicant, Texaco Inc., seeks to consolidate the two 160-acre non-standard gas proration units as described above to form a 320-acre non-standard Eumont gas proration unit comprising the SE/4 SW/4, NE/4 SE/4, and S/2 SE/4 of Section 23, the W/2 NW/4 of Section 25, and the E/2 NE/4 of Section 26, all in Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be simultaneously dedicated to the existing William Weir Well Nos. 1 and 2, both located respectively at unorthodox gas well locations as described above.

(5) The Eumont Gas Pool is currently a prorated gas pool subject to The General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended.

(6) The evidence presented indicates that the William Weir Well No. 1 is currently capable of gas production in excess of its assigned gas allowable and that the William Weir Well No. 2 is currently classified as a marginal gas well.

(7) The proposed acreage consolidation and simultaneous dedication will allow the applicant to more fully utilize the gas allowable assigned to said non-standard unit, resulting in greater gas production.

(8) Testimony indicates that the interest ownership among the two 160-acre tracts is common.

(9) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

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(10) The entire 320-acre non-standard unit may reasonably be presumed productive of gas from the Eumont Gas Pool and said unit can be efficiently and economically drained and developed by the aforesaid William Weir Well Nos. 1 and 2.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(12) Division Order Nos. R-539 and NSP-165 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) A 320-acre non-standard gas spacing and pro-ration unit comprising the SE/4 SW/4, NE/4 SE/4, and S/2 SE/4 of Section 23, the W/2 NW/4 of Section 25, and the E/2 NE/4 of Section 26, all in Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, is hereby established and simultaneously dedicated to Texaco Inc.'s William Weir Well Nos. 1 and 2, both located respectively at unorthodox gas well locations 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 25, and 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 23.

(2) Division Order Nos. R-539 and NSP-165 are hereby superseded by this order.

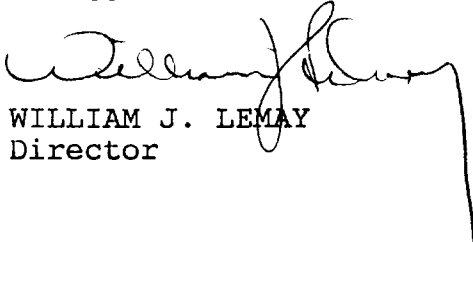
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director