NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Gentlemen:

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1990 - 1997 - 19

Case No. <u>792</u>: The Application of The Ohio Oil Company for Formation of a 320-Acre Non-Standard Gas Proration Unit in the Eumont Gas Pool, Lea County, New Mexico, and for Assignment of the Acreage in the Unit to The Ohio Oil Company's Bertha Barber Well No. 11 for Gas Proration Purposes in that Pool.

The Ohio Oil Company hereby applies for the designation and formation of a non-standard gas proration unit consisting of the NW/4 and the N/2 of the SW/4 of Section 5, Township 20 South, Range 37 East, and the S/2 of the SW/4 of Section 32, Township 19 South, Range 37 East, in the Eumont Gas Pool. Lea County, New Mexico. The Ohio also hereby applies for assignment of the acreage in the proposed unit to The Ohio's Bertha Barber Well No. 11 for the purposes of gas proration in the Eumont Gas Pool. In support of this application, The Ohio would show to this Commission the following:

1. The Ohio is the owner of the oil and gas leasehold estate on the above described land, which land is one contiguous tract containing 320 acres, more or less. The tract should be considered as containing 320 acres for the purposes of allocation of gas allowable in the Eumont Gas Pool.

2. The Ohio's Bertha Barber Well No. 11 was completed in November, 1952, in the NW/4 of the NW/4 of said Section 5, at a location 330 feet from the west line of the proposed non-standard gas proration unit and 2310 feet from the north and east lines of the unit. The well was completed in and is producing from the Queen formation. However, information now available indicates that the perforations in the well may extend below the Queen formation into the top of the Grayburg formation. Pursuant to this Commission's Order No. R-520 in Case No. 673, The Ohio, under date of September 14, 1954, filed with this Commission in the Hobbs, New Mexico office, a form C-105 and other data and information concerning said well, with the recommendation that the well be assigned to the Eumont Gas Pool.

3. The attached plat indicates the location of the proposed unit, the well in question, and the surrounding tracts. The boundary of the area included in the proposed unit is indicated on the plat by the heavy dash line. Proration units heretofore approved by this Commission in the vicinity are indicated on the plat by diagonal lines and crossed lines.

4. All of the acreage in the proposed unit is within the boundaries of the Eumont Gas Pool and is reasonably presumed to be productive of gas from that Pool.

5. It is impractical to pool or unitize such acreage with adjoining acreage.

6. The Ohio will be deprived of a fair opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool unless the proposed non-standard proration unit is formed and unless the acreage therein is assigned to The Ohio's Bertha Barber Well No. 11 for the purposes of gas proration in the Eumont Gas Pool.

7. The creation of the proposed non-standard proration unit and the assignment of the acreage therein to the well identified above will not cause but will prevent waste and will protect correlative rights.

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The Ohio Oil Company therefore respectfully requests that a time be set for hearing on this application at the earliest practicable date; that notice of this application and of such hearing be issued and served immediately by publication in accordance with the Rules and Regulations of this Commission as provided by law, and that on such hearing the non-standard proration unit sought hereby be formed and designated as containing 320 acres, and that such acreage be assigned to the well identified above for the purposes of allocation of gas allowable in the Eumont Gas Pool.

Respectfully submitted,

THE OHIO OIL COMPANY

/s/ W. H. Everett, Attorney

/s/ J. O. Terrell Counch, Attorney

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PLAT ON FILE O, C. C. SANTA FE, NEW MEXICO

NEW MEXICO OIL & GAS ENGR. COMMITTEE HOBBS, NEW MEXICO November 29, 1954