

CASE NO. 5384: ATLANTIC RICHFIELD  
CO. FOR NON-STANDARD GAS PRORATION  
UNIT, 3 UNORTHODOX LOCATIONS, AND  
SIMULTANEOUS DEDICATION, LEA CO

CASE No.

5384

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 8, 1975

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
 )

Application of Atlantic Richfield )  
Company for a non-standard gas proration )  
unit, three unorthodox gas well loca- )  
tions, and simultaneous dedication, Lea )  
County, New Mexico. )  
-----

Case No.  
5384

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

William Carr, Esq.  
Legal Counsel for the  
Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Paul Eaton, Esq.  
HINKLE, BONDURANT, COX  
& EATON  
Hinkle Building  
Roswell, New Mexico

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

I N D E X

	<u>PAGE</u>
LOUIS C. SOILEAU, IV	
Direct Examination by Mr. Eaton	3
Cross Examination by Mr. Stamets	10

E X H I B I T S

	Marked	Admitted
Atlantic Richfield's Exhibits 1 through 4		10

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MR. STAMETS: Call the next case, Case 5384.

MR. CARR: Case 5384. Application of Atlantic Richfield Company for a non-standard gas proration unit, three unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico.

MR. EATON: Paul Eaton of Hinkle, Bondurant, Cox and Eaton, of Roswell, New Mexico, representing the Applicant. We have one witness.

MR. STAMETS: Are there any other appearances? The Witness will stand and be sworn, please.

(Witness sworn.)

LOUIS C. SOILEAU, IV

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. EATON:

Q Will you state your name, your employer, and in what capacity you are employed?

A My name is Louis C. Soileau, IV, employed by Atlantic Richfield Company in Midland, Texas, as a Petroleum Engineer.

Q Have you previously testified before this Commission?

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A I have not.

Q Would you please give us a background of your education and work experience?

A I have a Bachelor of Science Degree in Petroleum Engineering from Louisiana State University in 1971. I was employed by Atlantic Richfield immediately upon completion of my schooling for 7 months, after which time I spent two and a half years as an officer in the United States Air Force, and subsequently have been working for Atlantic Richfield in Midland, Texas, as a Petroleum Engineer for the last six months.

Q What has your work consisted of, Mr. Soileau?

A My area of responsibility is Lea County, New Mexico, of which one portion is the Jalmat Gas Pool. I am responsible for the efficient development and production of reserves for Atlantic Richfield in the Jalmat Pool.

Q Are you familiar with the literature and data concerning the Jalmat Pool?

A Yes, sir.

Q Are you a member of any professional society?

A I am a member of the Society of Petroleum Engineers of the AIME.

Q What does Atlantic Richfield seek by its

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Applicatior?

A Atlantic Richfield is seeking approval of a 240-acre non-standard Jalmat proration unit to be simultaneously dedicated to three existing Jalmat gas wells, the unit allowable to be produced from any of the wells in any proportion, and approval of the three unorthodox locations for the three wells.

Q Have you prepared an Exhibit which reflects the land status?

A Yes, I have.

Q Is that Exhibit No. 1?

A That's Exhibit No. 1.

Q Would you please state what that Exhibit shows?

A Exhibit No. 1 shows the proposed boundaries of the Jalmat State gas column in Section 32, Township 24 South, Range 37 East. Pictured in red is the Atlantic Richfield State 157-E 80 acre non-standard Jalmat gas proration unit supported by the marginal well No. 1. In blue is the State 157-C Com 80 acre non-standard Jalmat gas proration unit supported by the No. 1 well and marginal well. In yellow the State 157-C 40 acre non-standard Jalmat gas proration unit supported by the non-marginal well No. 2, and in green, the State 24 lease which was

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formally Jalmat gas productive.

Q What is the status of the offset acreage and wells?

A This proposed 240-acre unit is offset by Jalmat gas production to the north, southeast and west. To the east we are bordered by 120-acre non-standard Jalmat gas proration unit owned by Ready and Bates, it's a non-marginal unit. Within the same section we are bounded on the west by a 40-acre non-standard Jalmat gas proration unit in Unit C owned by Apco, and other than our production within that section that is the only Jalmat gas production.

Q Is that a Jalmat gas production to the south in Section 5?

A There is in Section 5, owned by El Paso Natural Gas; there is in Section 33 to the east, Section 28 to the northeast, 29 to the north, and --

Q (Interrupting) Were copies of the Application, or notice of the Application sent to the offset operators?

A They were.

Q Please refer to Exhibits 2, 3, and 4, and state what those Exhibits are.

A Exhibit No. 2 is a New Mexico Oil Conservation Commission well location and acreage dedication plat Form

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C-102. It depicts Atlantic Richfield Company's State 157-E Well No. 1 located in Unit G, Section 32, Township 24 South, Range 37 East, Lea County, New Mexico. It is located 2310 feet from the north and east lines producing from the Yates formation in the Jalmat pool.

Exhibit 3 is also a C-102 depicting Atlantic Richfield Company's State 157-C Com Well No. 1 located in Unit O, Section 32, Township 24 South, Range 37 East, Lea County. It is located 330 feet from the south line and 2310 feet from the east line of the section, producing from the Yates formation in the Jalmat gas pool.

Exhibit 4 is also a Form C-102 depicting Atlantic Richfield Company's State 157-C Well No. 2 located in Unit P, Section 32, Township 24 South, Range 37 East, Lea County, New Mexico. It is located 990 feet from the south line and 370 feet from the east line, also producing from the Yates formation in the Jalmat gas pool.

Q Now, what is the current producing status of these three wells?

A The State 157-E Well No. 1 is a marginal well. In October of '74 it produced 44 mcf per day. The State 157-C Com No. 1 is also a marginal well. In October of '74 it produced 172 mcf per day, and the State 157-C No. 2

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Well is a non-marginal well. It produced 522 mcf per day in October, '74. The State 24 lease, the No. 1 well shown on the plat, the Exhibit 1, it was really a Jalmat gas well; it has been turned over to the Langlie Jal Unit as a water injection well. Atlantic Richfield's philosophy was to apply for this rededication of acreage, including that 40-acre unit in the 240-acre requested unit. It is considered more economical to turn the well over for injection use rather than drill another well on that 40-acre unit to replace that No. 1 Well, which was marginal.

Q What is the cumulative production of each of these wells, if you know?

A Each of these wells has produced in excess of a billion cubic feet; I do not have the exact figures; billion cubic feet of gas.

Q Mr. Soileau, in your opinion is this entire 240-acre unit productive of Jalmat gas?

A Yes, sir.

Q What is the basis of that opinion?

A Well, the unit is currently supported by 3 Atlantic Richfield Jalmat gas producers and it is bounded on all sides by Jalmat gas production. The Yates Formation is well developed throughout the entire unit and all four

of the original wells on those four units we're discussing.

Q Collectively, in your opinion, can these wells effectively and efficiently drain the entire 240 acres?

A Yes, they can. In fact, if the unit is approved, that acreage will all be brought to non-marginal status by the combined production of all three wells.

Q In connection with the dedication of the 240 acres to the wells, has Atlantic Richfield taken any steps to communitize the leases?

A Yes. Atlantic Richfield has an executed document by Conoco, the other working-interest owner, and Atlantic Richfield Company, which has been submitted to the Commissioner and approved for communitization.

Q The Commissioner of Public Lands?

A Yes.

Q In your opinion, Mr. Soileau, will approval of the Application be in the interests of conservation and prevention of waste and will it protect correlative rights?

A Yes.

Q Were these Exhibits prepared by you?

A Yes.

MR. EATON: We offer Exhibits 1 through 4 into

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evidence.

MR. STAMETS: Exhibits 1 through 4 will be admitted into evidence.

(Whereupon, Atlantic Richfield's Exhibits 1 through 4 were admitted into evidence.)

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Soileau, do you know at this time what the new lease name will be for this?

A Yes, sir, it's to be called the Jalmat State Gas Com.

Q And do you have the well numbers for the three wells at this time?

A Yes, sir, we plan to name the State 157-E Well as the No. 1 Well, the State 157-C Well as the No. 2 Well, using its current designation, and the State 157-C Com Well as the No. 3 Well, so there will be only one well number change, sir.

MR. STAMETS: Are there any other questions of the Witness? He may be excused. Anything further in this Case? We will take the Case under advisement.


STATE OF NEW MEXICO     )  
                              )  
COUNTY OF SANTA FE    )  
                              )

SS.

I, RICHARD L. NYE, Court Reporter, do hereby  
certify that the foregoing and attached Transcript of  
Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct  
record of the said proceedings, to the best of my knowledge,  
skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5384,  
heard by me on 1-8, 1975.

  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission

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# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

I. R. TRUJILLO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

January 22, 1975

Mr. Paul Eaton  
Hinkle, Bondurant, Cox & Eaton  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5384

ORDER NO. R-4941

Applicant:

Atlantic Richfield Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC \_\_\_\_\_  
Aztec OCC \_\_\_\_\_

Other \_\_\_\_\_  
\_\_\_\_\_

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. 5384  
Order No. R-4941

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR SIMULTANEOUS DEDICATION  
AND UNORTHODOX LOCATIONS, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Atlantic Richfield Company, is the owner and operator of the State 157-E Well No. 1, and State 157-C Wells Nos. 2 and 1, to be redesignated as the Jalmat State Gas Com Wells Nos. 1, 2, and 3, respectively, and located at unorthodox locations in Units G, P, and O, respectively, of Section 32, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks approval for the simultaneous dedication of a 240 acre non-standard gas proration unit comprising the W/2 E/2, SE/4 SE/4, and SE/4 SW/4 of said Section 32 to the above-described wells.

(4) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the afore-said wells in any proportion.

(5) That approval of the application will protect correlative rights and prevent waste.

-2-

CASE NO. 5384  
Order No. R-4941

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate a 240-acre non-standard gas proration unit comprising the W/2 E/2, SE/4 SE/4, and SE/4 SW/4 of Section 32, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its Jalmat State Gas Com Wells Nos. 1, 2, and 3 located at unorthodox locations in Units G, P, and O, respectively, of said Section 32.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 240 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Commission Administrative Order NSP-297 is hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

*Phil R. Lucero*

PHIL R. LUCERO, Member

*A. L. Porter, Jr.*

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

S E A L

jr/





NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>State 157-E</b>		Well No. <b>1</b>
Unit Letter <b>G</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>	
Actual Wellbore Location of Well:					
<b>2310</b> feet from the <b>North</b> line and		<b>2310</b> feet from the <b>East</b> line			
Ground Level Elev. <b>3251'</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>240</b> Acres		

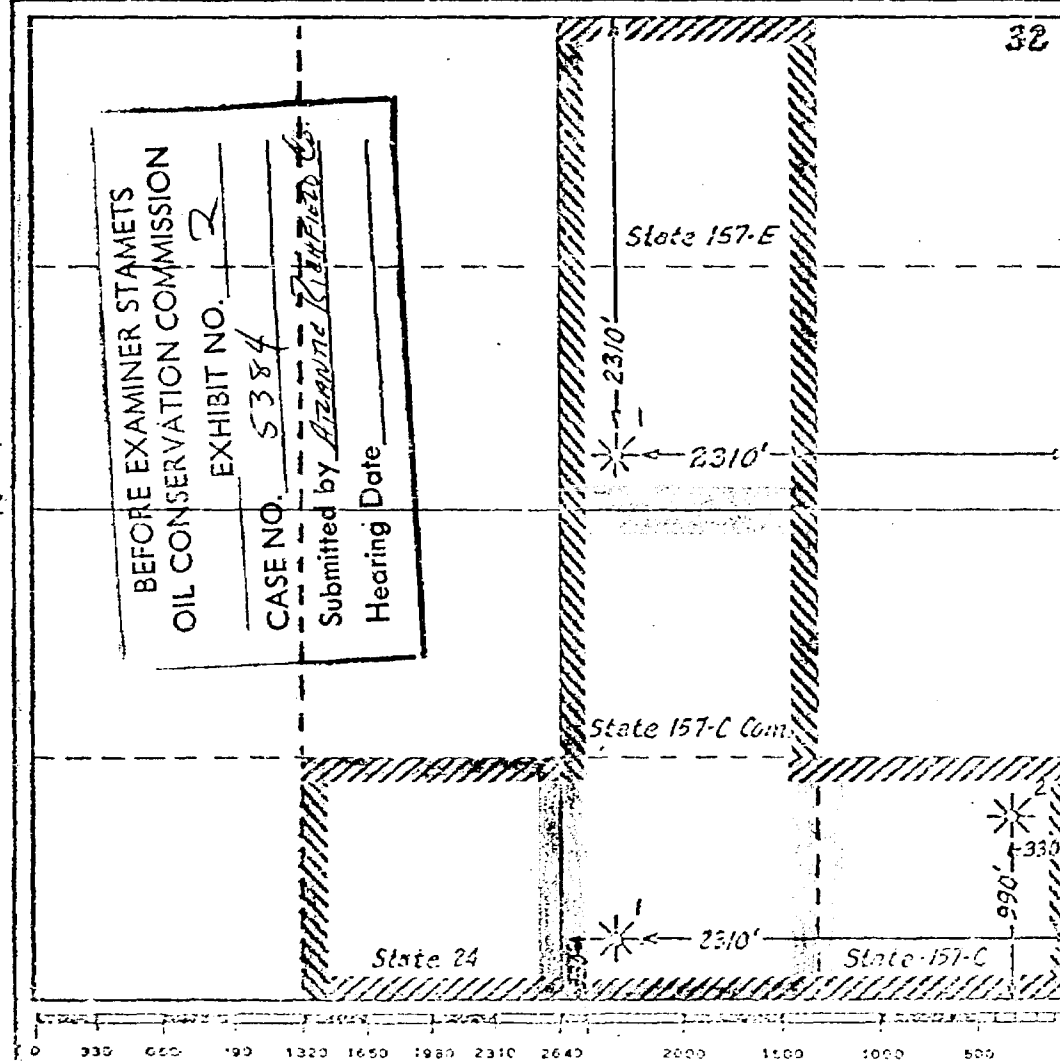
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**R-37-E**



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Robert C. Sullivan

Position  
**Engineer**

Company  
**Atlantic Richfield Company**

Date  
**November 1, 1974**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>State 157-C Com</b>		Well No. <b>1</b>
Unit Letter <b>Q</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
<b>330</b> feet from the <b>South</b> line and		<b>2310</b> feet from the <b>East</b> line			
Ground Level Elev. <b>3255'</b>	Producing Formation <b>Yates</b>		Pool <b>Jalmat Gas</b>		Dedicated Acreage <b>240</b> Acres

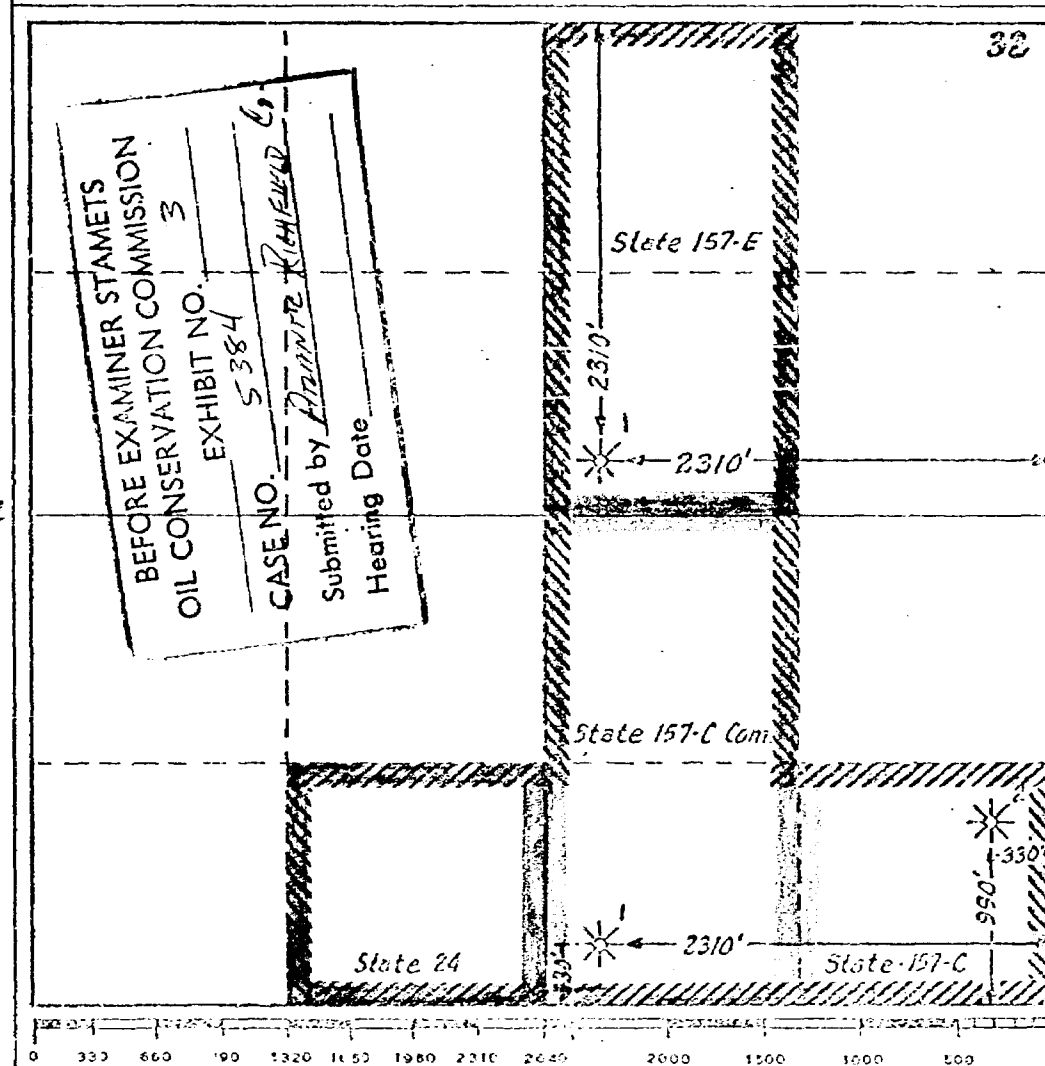
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**R-37-E**



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Louis C. Foster  
Position Engineer  
Company Atlantic Richfield Company  
Date November 1, 1974

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_  
Registered Professional Engineer and/or Land Surveyor \_\_\_\_\_  
Certificate No. \_\_\_\_\_

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>State 157-C</b>			Well No. <b>2</b>		
Unit Letter <b>p</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>				
Actual Footage Location of Well:								
990 feet from the South line and		330 feet from the East line						
Ground Level Elev. <b>3261'</b>	Producing Formation <b>Yates</b>		Pool <b>Jalmat Gas</b>		Dedicated Acreage: <b>240 Acres</b>			

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**R-37-E**

<p>BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION EXHIBIT NO. <u>4</u> CASE NO. <u>5384</u> Submitted by <u>Atlantic Richfield Co.</u> Hearing Date _____</p>	<p><b>32</b></p> <p><i>State 157-E</i></p> <p>2310'</p> <p>2310'</p> <p><i>State 157-C Com.</i></p> <p><i>State 24</i></p> <p>2310'</p> <p><i>State 157-C</i></p> <p>990' 330'</p>	<p><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Name <u>Louis C. Sullivan</u></p> <p>Position <b>Engineer</b></p> <p>Company <b>Atlantic Richfield Company</b></p> <p>Date <b>November 1, 1974</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed _____</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>Certificate No. _____</p>
	<p>0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000</p>	

- CASE 5381: Application of Mobil Oil Corporation for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Eunice-San Andres Pool, Lea County, New Mexico, including a provision for a limiting gas-oil ratio of 5,000 to 1.
- CASE 5382: Application of Belco Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian Gas Pools rather than the present 160-acre spacing.
- CASE 5383: Application of Union Texas Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Crosby Deep Well No. 3, located in Unit J of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico, in such a manner as to produce oil from the Fusselman formation and gas from the McKee formation through parallel strings of tubing.
- CASE 5384: Application of Atlantic Richfield Company for a non-standard gas proration unit, three unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising W/2 NE/4, W/2 SE/4, SE/4 SE/4, and SE/4 SW/4 of Section 32, Township 24 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to its State 157-E Well No. 1, located 2310 feet from the North and East lines, its State 157-C Com Well No. 1, located 330 feet from the South line and 2310 feet from the East line, and its State 157-C Well No. 2, located 990 feet from the South line and 330 feet from the East line, all unorthodox gas well locations in said Section 32.
- CASE 5385: Application of Yates Petroleum Corporation for pool creation and special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the High Hope-Abo Gas Pool in Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing and proration units. Applicant further seeks approval for the unorthodox location of its High Hope DJ Federal Well No. 1, located 690 feet from the North line and 480 feet from the West line of Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, the W/2 of said Section 13 to be dedicated to the well.
- CASE 5386: Application of Yates Petroleum Corporation for four dual completions and one unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following dual completions in Township 17 South, Range 25 East, Eddy County, New Mexico:



November 8, 1974

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Atlantic Richfield Company  
for a Non-Standard Proration Unit, and  
Unorthodox Location and Simultaneous  
Dedication of Acreage, Jalmat Pool, Lea  
County, New Mexico.

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the above matter and request that it be set for hearing before an examiner at Santa Fe. We would appreciate the hearing being set as soon as possible.

The off-set operators are shown on the attached list. Each has been furnished a copy of the application.

Very truly yours,

*Duncan W. Holt, Jr.*

Duncan W. Holt, Jr.

DWH/jm  
encl.

cc: Mr. Clarence E. Hinkle

DOCKET MAILED

Date 12-26-74

*Advised Mr. Hinkle's  
office that this  
appli. would be  
set for Jan. 8 - 75*

*AK*

## OFFSET OPERATORS

APCO Oil Corporation  
P. O. Box 1027  
Odessa, Texas 79760

Burleson & Huff  
P. O. Box 935  
Midland, Texas 79701

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

El Paso Natural Gas Company  
600 Bldg. of Southwest  
Midland, Texas 79701

Husky Oil Company of Delaware  
815 Sixth Street, S.W.  
Calgary, Alberta, Canada  
T2P, 1Y1

Reading & Bates Oil and Gas Company  
810 North Dixie  
Odessa, Texas 79760

Rodman Petroleum Corporation  
P. O. Box 3826  
Odessa, Texas 79760

Skelly Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

Texas Pacific Oil Company, Inc.  
P. O. Box 4067  
Midland, Texas 79701

Union of Texas Petroleum  
1300 Wilco Bldg.  
Midland, Texas 79701

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY  
FOR A NON-STANDARD PRORATION UNIT, AND  
UNORTHODOX LOCATION AND SIMULTANEOUS  
DEDICATION OF ACREAGE, JALMAT POOL,  
LEA COUNTY, NEW MEXICO

CASE NO. \_\_\_\_\_

Atlantic Richfield Company hereby makes application to the Commission for an order amending existing rules or orders of the Commission pertaining to certain gas proration units to permit a non-standard proration unit, an unorthodox location and simultaneous dedication of acreage to certain wells thereon and in support thereof would show:

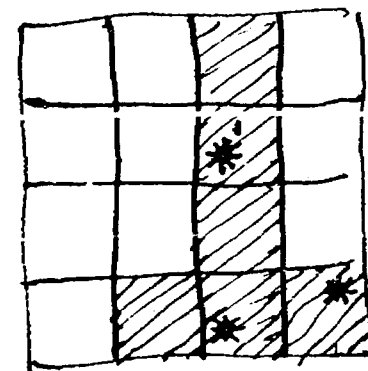
1.

Atlantic Richfield Company is the operator of the acreage hereinafter described and the wells located thereon and hereinafter mentioned which are completed in the Jalmat Gas Pool and that certain of said wells are marginal as will be shown upon hearing hereof.

2.

Applicant hereby seeks an order to permit a non-standard 240-acre Jalmat gas proration unit, comprising the  $W\frac{1}{2}$  NE $\frac{1}{4}$ ,  $W\frac{1}{2}$  SE $\frac{1}{4}$ , SE $\frac{1}{4}$  SE $\frac{1}{4}$  and SE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 32, Township 24 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to the State 157-E Well No. 1, a non-standard location, 2310 feet from the North line and 2310 feet from the East line and the State 157-C-COM, 330 feet from the South line and 2310 feet from the East line and the State 157-C, 990 feet from the South line and 330 feet from the East line of said Section 32, with the allowable to be produced from any combination of the wells in any proportion.

Attached is a map of the proposed proration unit.





3.

Atlantic Richfield Company and Continental Oil Company have entered into a Communitization Agreement covering the proration unit hereinabove described.

4.

That the subject gas proration unit can be efficiently and economically drained and developed from the respective wells located thereon.

5.

That because of the marginal status of certain of the wells on the proposed proration unit, approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before an examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving this application for said proposed gas proration unit.

Duncan W. Holt, Jr.  
Duncan W. Holt, Jr.  
P. O. Box 2819  
Dallas, Texas 75221

Clarence E. Hinkle  
Hinkle, Bondurant, Cox & Eaton  
P. O. Box 10  
Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT  
ATLANTIC RICHFIELD COMPANY

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 5384

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>		Lease <b>State 157-C</b>		Well No. <b>2</b>
Unit Letter <b>P</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>990</b> feet from the <b>South</b> line and <b>330</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3261'</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>240</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

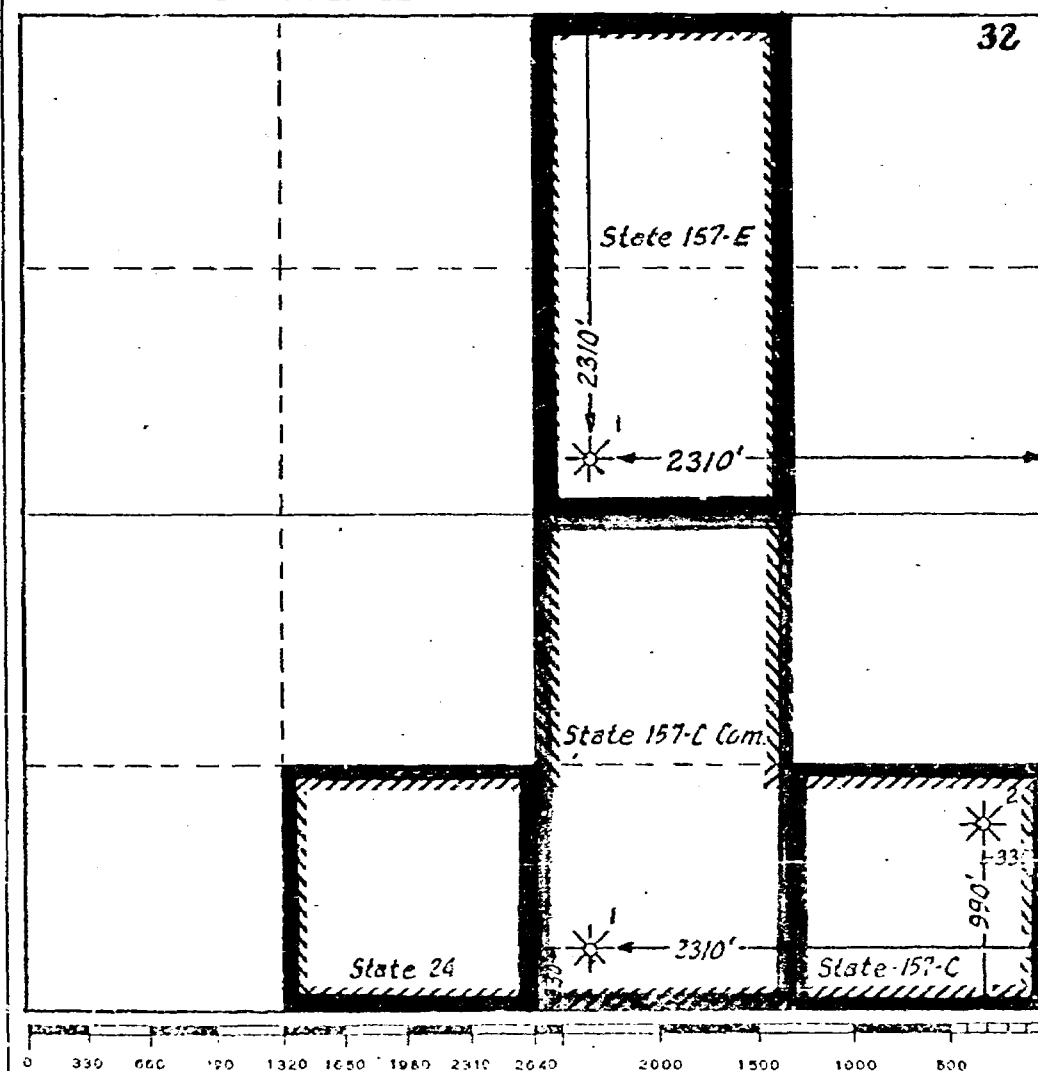
☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**R-37-E**

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
*Ronnie C. Sullivan*

Position  
**Engineer**

Company  
**Atlantic Richfield Company**

Date  
**November 1, 1974**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



By: Louis Soileau	Drawn By: AVP	Date: 11-74
Date: 11-4-74	Reviewed By:	Date:
Dept: W. Eng.	Draw No:	

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>		Lease <b>State 157C-Com</b>		Well No. <b>1</b>
Unit Letter <b>0</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>2310</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3255'</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>240</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

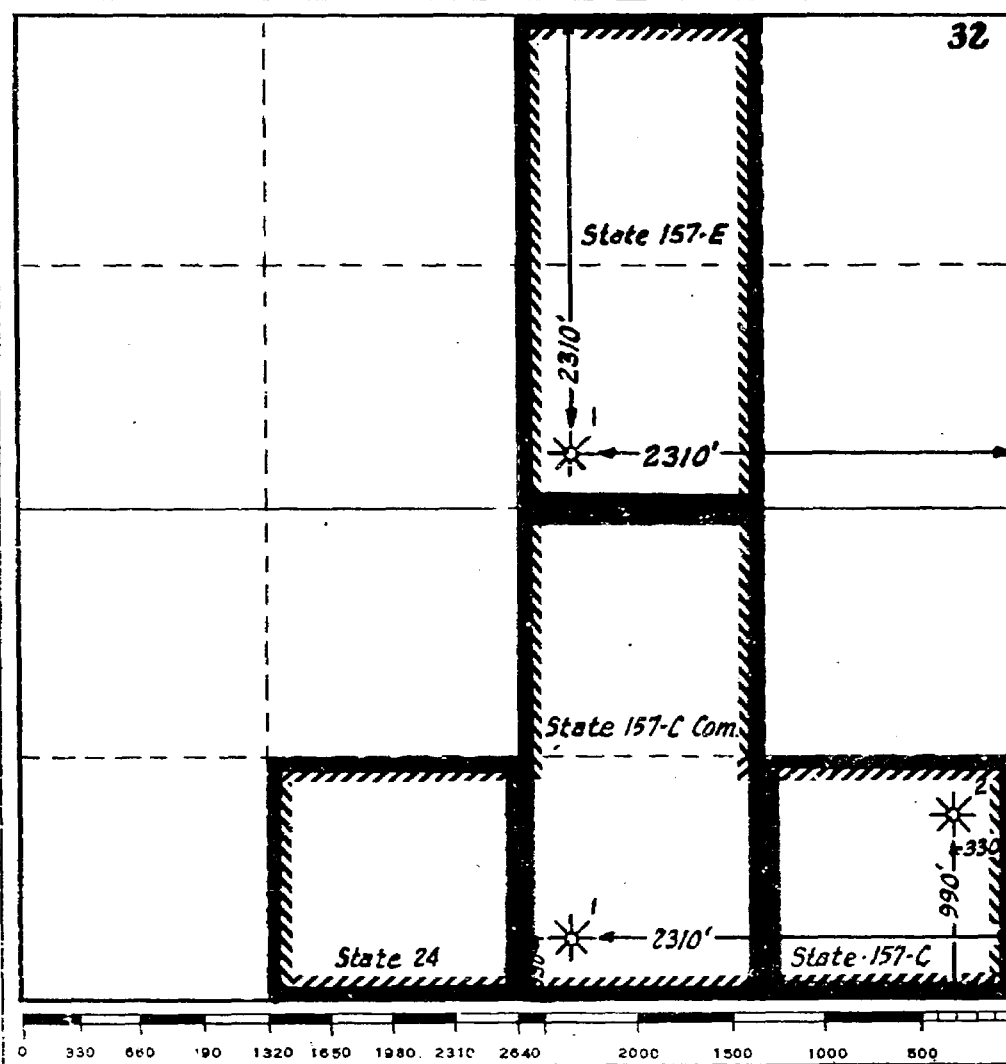
☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form, if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit; eliminating such interests, has been approved by the Commission.

**R-37-E**

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**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name James C. Soileau

Position

**Engineer**

Company

**Atlantic Richfield Company**

Date

**November 1, 1974**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>State 157-E</b>		Well No. <b>1</b>
Unit Letter <b>G</b>	Section <b>32</b>	Township <b>24S</b>	Range <b>37E</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
<b>2310</b>		feet from the <b>North</b>	line and	<b>2310</b>	feet from the <b>East</b>
Ground level elev. <b>3251'</b>	Producing Formation <b>Yates</b>		Producing <b>Jalmat Gas</b>	Dedicated Acreage: <b>2.40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

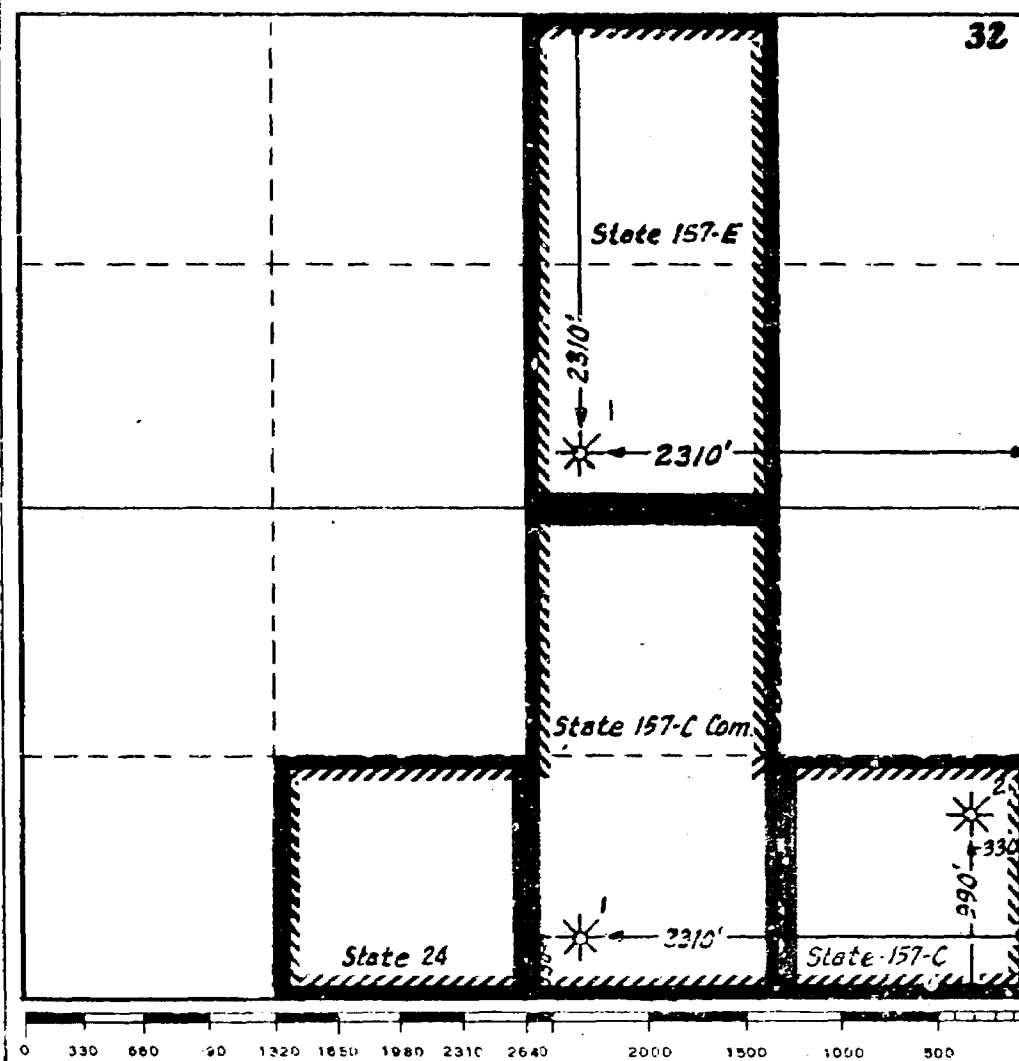
☒ Yes ☐ No If answer is "yes" type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit; eliminating such interests, has been approved by the Commission.

**R-37-E**

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**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
*Roy C. Sackett*

Position  
**Engineer**

Company  
**Atlantic Richfield Company**

Date  
**November 1, 1974**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.