

Case No.

632

Application, Transcript,
Small Exhibits, Etc.

NO.

CASE 632: Continental unorthodox gas
unit (160 acre), Jalco Gas Pool

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 CON-
SIDERING:

CASE NO. 632
Order No. R-429

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-368-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF APPROXIMATELY 160
CONTIGUOUS ACRES CONSISTING OF THE
WEST HALF OF THE WEST HALF OF SECTION
19, TOWNSHIP 25 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO, IN
THE JALCO GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 16th day of April, 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 7 (a) of Order No. R-368-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Continental Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 25 South, RANGE 37 East, NMPM.
W/2 of W/2 of Section 19

containing approximately 160 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as Sholes 19 Unit, Well No. 1, located 2340' from the South line and 300' from the West line of Section 19, Township 25 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located

within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 19, Township 25 South, Range 37 East, NMPM., owned by the applicant inasmuch as royalty interests are diverse and equities already established would be disrupted.

(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 Jalco Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 South, RANGE 37 East, NMPM.
W/2 of W/2 of Section 19

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

19

(2) That applicant's well, Sholes/Unit, No. 1, located in the NW/4 SW/4 of Section 19, Township 25 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 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

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

R. R. Spurrer
R. R. SPURRIER, Secretary and Member

(SEAL)

DEC 1 1953

IN THE MATTER OF THE APPLICATION OF CONTINENTAL)
OIL COMPANY FOR APPROVAL OF AN UNORTHODOX GAS)
PRORATION UNIT CONSISTING OF APPROXIMATELY 160)
ACRES DESCRIBED AS THE W/2 W/2 SECTION 19, TOWN-)
SHIP 25 SOUTH, RANGE 37 EAST, N.M.P.M., LEA)
COUNTY, NEW MEXICO, FOR ITS SHOLES 19 UNIT WELL)
NO. 1 IN THE JALCO POOL)

CASE NO. 632

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests approval of an unorthodox gas proration unit as described in the caption hereof and in support thereof would show the following:

1. Applicant is joint owner and is the operator of a lease known as the Sholes 19 Unit consisting of the W/2 W/2 Section 19, Township 25 South, Range 37 East, Lea County, New Mexico, which unit was formed with the approval of the United States Geological Survey.

2. Applicant drilled a well known as the Sholes 19 Unit well No. 1 at a location described as 2,340 feet from the south line and 300 feet from the west line of said Section 19 and completed said well as a shut in gas well in 1929. Said well is located on the lands now designated as the Sholes 19 Unit.

3. Said well is located within the limits of the Jalco gas pool as defined by the Oil Conservation Commission, and is the only well producing from said pool on the 160-acre unit described above.

4. Pooling of these lands with lands outside this unit to form proration units of governmental quarter sections would be impractical inasmuch as the royalty interests are diverse and equities already established would be disrupted.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at the regularly scheduled January, 1954 hearing, cause due notice to be given thereof, and upon hearing enter an order approving an unorthodox gas proration unit for applicant's Sholes 19 Unit well No. 1 as described above.

CONTINENTAL OIL COMPANY

By: 

H. L. Johnston
Regional Manager
of Production
Southwestern Region

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 CON-
SIDERING:

CASE NO. 613

Order No. R-423

THE APPLICATION OF ~~SKELLY OIL~~ *Lease and pool for the same*
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO
RULE 7 (a) OF ORDER NO. R-368-A
IN ESTABLISHMENT OF AN UNORTHODOX
GAS PRORATION UNIT OF ~~80~~ CONTIGUOUS
ACRES CONSISTING OF THE NE/4 NW/4
~~AND THE NW/4 NE/4 OF SECTION 6.~~
TOWNSHIP 25 SOUTH, RANGE 37 EAST,
NMPM, IN THE IALCO GAS POOL, LEA
COUNTY, NEW MEXICO. *Lease and pool for 7 or 8*

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a. m., on December
17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission,
hereinafter referred to as the "Commission".

NOW, on this day of April, 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 7 (a) of Order No. R-368-A,
the Commission has power and authority to permit the formation of a gas pro-
ration unit consisting of other than a legal quarter section after notice and
hearing by the Commission.

(3) That applicant, ~~Skelly Oil Company~~ *Lease*, is the owner of an oil and
gas lease in Lea County, New Mexico the land consisting of other than a legal
quarter section, and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM.

Section 6, NW/4 NE/4, NE/4 NW/4

containing 80 acres, more or less.

(4) That applicant, Skelly Oil Company, has a producing well on
the aforesaid lease known as #3 J. W. Sherrell, located 330' from the north
line and 1650' from the east line of Section 6, Township 25 South, Range 37
East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-~~30000~~, and is located within the limits of the pool heretofore delineated and designated as the ~~20000~~ Gas Pool.

(6) That it is impossible to pool applicant's said lease with adjoining acreage in the (NE/4 and NW/4 of Section 6, Township 25 South, Range 37 East,) and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of 80 acres, but have expressly consented thereto.

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(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the ~~20000~~ Gas Pool

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of the Skelly Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP ~~25~~ SOUTH, RANGE 37 EAST, NMPM

L M R

Section 6, NW/4 NE/4, NE/4 NW/4

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

(2) That applicant's well, #3 J. W. Sherrell, located in the (NW/4 NE/4) of Section 6, Township ~~25~~ South, Range ~~37~~ East, NMPM shall be granted an allowable from January 1, 1954 in the proportion that the above described ~~80~~ acres 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

R. R. SPURRIER, Secretary and Member

(S E A L)

IN THE MATTER OF THE APPLICATION OF CONTINENTAL)
OIL COMPANY FOR APPROVAL OF AN UNORTHODOX GAS)
PRORATION UNIT CONSISTING OF APPROXIMATELY 160)
ACRES DESCRIBED AS THE W/2 W/2 SECTION 19, TOWN-)
SHIP 25 SOUTH, RANGE 37 EAST, N.M.P.M., LEA)
COUNTY, NEW MEXICO, FOR ITS SHOLES 19 UNIT WELL)
NO. 1 IN THE JALCO POOL)

CASE NO. 632

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests approval of an unorthodox gas proration unit as described in the caption hereof and in support thereof would show the following:

1. Applicant is joint owner and is the operator of a lease known as the Sholes 19 Unit consisting of the W/2 W/2 Section 19, Township 25 South, Range 37 East, Lea County, New Mexico, which unit was formed with the approval of the United States Geological Survey.
2. Applicant drilled a well known as the Sholes 19 Unit well No. 1 at a location described as 2,340 feet from the south line and 300 feet from the west line of said Section 19 and completed said well as a shut in gas well in 1929. Said well is located on the lands now designated as the Sholes 19 Unit.
3. Said well is located within the limits of the Jalco gas pool as defined by the Oil Conservation Commission, and is the only well producing from said pool on the 160-acre unit described above.
4. Pooling of these lands with lands outside this unit to form proration units of governmental quarter sections would be impractical inasmuch as the royalty interests are diverse and equities already established would be disrupted.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at the regularly scheduled January, 1954, hearing, cause due notice to be given thereof, and upon hearing enter an order approving an unorthodox gas proration unit for applicant's Sholes 19 Unit well No. 1 as described above.

CONTINENTAL OIL COMPANY

By: _____
H. L. Johnston
Regional Manager
of Production
Southwestern Region

N.M. Oil & Gas Engineering Committee
January 4, 1954
Hobbs, New Mexico

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OK

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 CON-
SIDERING:

CASE NO. 632
Order No. R- 429

THE APPLICATION OF Continental
Oil Company

FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION ^{PURSUANT} TO RULE 7 (a) OF
ORDER NO. R- 368-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF ^{approximately} 160 CONTIGUOUS ACRES

CONSISTING OF West Half of the
West half of Section 19,
Township 25 South, Range 37,
East, NMPM, Lea County,
New Mexico in the
Jalisco Bas Coal.

BY THE COMMISSION:

ORDER OF THE COMMISSION

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

NOW, on this day of April, 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 7 (a) of Order No. R- 368-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Continental Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM.

W/2 of W/2 of Section 19

containing ^{approximately} 160 acres, more or less.

Order No. R- 729

Shales

(4) That applicant, *Continental Oil Company*, has a producing well on the aforesaid lease known as *Shales 19 Unit, Well No. 1* located *2340'* from the *South* line and *300'* from the *West* line of Section 19, Township 25 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-3684, and is located within the limits of the pool heretofore delineated and designated as the *Jalco* Gas Pool.

(6) That it is ~~impossible~~ ^{*impractical*} to pool applicant's said lease with adjoining acreage in the *West half of Section 19 Township 25 South, Range 37 East NMPM.* owned by the applicant *inasmuch as royalty interests* and that the owners of adjoining acreage in said quarter sections have not objected to the formation of the proposed proration unit of ~~acres~~ but have expressly consented thereto.

→ *one diverse and equities already established would be disrupted.*

disrupted

(7) That unless a proration unit consisting of applicant's aforesaid ~~its~~ acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the *Jalco* Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of *Continental Oil Company* for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM.

W/2 of W/2 of Section 19

be and the same

N is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created ~~and approved~~.

Order No. R- 429

(2) That applicant's well, ¹⁹ *Shale Oil, No. 1*, located in the ~~S~~ NW/4 SW/4 of Section 19, Township 25 South, Range 27 East, NMPM, shall be granted an allowable from January 1, 1954 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

R. R. SPURRIER, Secretary and Member

(S E A L)