

Case No.

736

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Application, Transcript,  
Small Exhibits, Etc.

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. 736  
ORDER NO. R-499

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 PRO-  
DUCTION UNIT OF 80 CONTIGUOUS ACRES CON-  
SISTING OF W/2 SE/4 OF SECTION 24, TOWNSHIP  
25 SOUTH, RANGE 36 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 June 16, 1954,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-  
after referred to as the "Commission".

NOW, on this 7<sup>th</sup> day of July, 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 jurisdic-  
tion 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-  
duction 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 36 EAST, NMPM.  
W/2 SE/4 of Section 24

containing 80 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well  
on the aforesaid lease known as Ascarate D-24, No. 1, located 1980' from  
the South and East lines of Section 24, Township 25 South, Range 36 East.

(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.

Order No. R-499

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the SE/4 of Section 24, Township 25 South, Range 36 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 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 Jalco 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 Continental Oil Company, for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM.  
W/2 SE/4 Section 24

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

(2) That applicant's well, Ascarate D-24, No. 1, located in the NW/4 SE/4 of Section 24, Township 25 South, Range 36 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 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 & Member

SEAL

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN EXCEPTION  
TO RULE 7 (A) OF ORDER NO. R-368-A FOR  
AN UNORTHODOX GAS PRORATION UNIT CON-  
SISTING OF APPROXIMATELY 80 ACRES DESCRIBED  
AS THE W/2 SE/4 SECTION 24, TOWNSHIP 25  
SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY,  
NEW MEXICO, FOR ITS ASCARATE D-24 WELL NO. 1  
IN THE JALCO POOL

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests an exception to Rule 7 (a) of Order No. R-368-A and approval by the Commission of an unorthodox gas proration unit for applicant's Ascarate D-24 Well No. 1 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 Ascarate D-24 Lease, covering the W/2 SE/4 Section 24, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

2. Applicant drilled its Ascarate D-24 No. 1 Well at a location described as 1,980 feet from south and east lines of Section 24 on said lease and completed said well on January 17, 1948, as a gas well producing from 2956 to 2976 in the Yates Formation.

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 80-acre unit described above.

4. The other 80-acre tract in this quarter section is under lease to Continental by a royalty ownership diverse to the above described unit. For this reason, it would be impractical to pool the tracts in this quarter section to form a single gas proration unit.

5. The above described unit consists of less acreage than a standard proration unit, lies wholly within a regular quarter section, and contains a well which was capable of producing gas into a gas transportation facility prior to January 1, 1954.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at an early date in June, 1954, cause due notice to be given thereof and upon hearing, enter an order approving an unorthodox gas proration unit for applicant's Ascarate D-24 Well No. 1 as described above.

CONTINENTAL OIL COMPANY

By 

State		U.S.A.		C.D. Woolworth (Or 3)	
Texas		13035 "A"	13035 "A"	13036 "B"	13041 E. Paso Natl Gas Dalport Phillips & Olson
Byrd-Frost Inc. C-3334 Cont. No. 2445 Cooperative Perm. Royalty		Byrd-Frost Inc. C-3334 Cont. No. 2445 Cooperative Perm. Royalty		Byrd-Frost Inc. C-3334 Cont. No. 2445 Cooperative Perm. Royalty	
J.M. Kelly (White & Houston)		Repollo (Hanagan)		Repollo (Gloyd)	
F.B. Ogg U.S.A.		T.M. Conhill		Winters C	
Humble "A"		12966 "B"		12966 "B"	
J.A. Koonce		L.C. Stephens		L.C. Stephens	
Cities Service		Cities Serv.		Cities Serv.	
Wm. A. Lindley		W.T. Lindley		W.T. Lindley	
Gen. Crude & Devonian		Humble		Humble	
R. Lowe		R. Lowe		R. Lowe	
M.N. Lindley		M.N. Lindley		M.N. Lindley	
Cities Serv. H.B.P.		Barnsdall		Barnsdall	
H.M. Wilson		Martha Forrest		Martha Forrest	
Skelly		Magnolia		Magnolia	
OIL CONSERVATION		OIL CONSERVATION		OIL CONSERVATION	
SANTA FE		SANTA FE		SANTA FE	
Cont. EXHIBIT No. 1		Cont. EXHIBIT No. 1		Cont. EXHIBIT No. 1	
CASE 736		CASE 736		CASE 736	
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CONTINENTAL OIL COMPANY		CONTINENTAL OIL COMPANY		CONTINENTAL OIL COMPANY	
ASCARATE D-24 NO.1		ASCARATE D-24 NO.1		ASCARATE D-24 NO.1	
CASE 736		CASE 736		CASE 736	
Continental Oil Co. Exhibit No. 1		Continental Oil Co. Exhibit No. 1		Continental Oil Co. Exhibit No. 1	
032554		032554		032554	

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
Cont. EXHIBIT NO. 2  
CASE 736

CASE 736  
Continental Oil Co.  
Exhibit No. 2