

Case No.

737

Application, Transcript,
Small Exhibits, Etc.

CASE 737: Continental Oil Company's application for unorthodox gas proration unit, Langmat 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. 737
ORDER NO. R-500

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXTENSION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-369-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 40 CONTIGUOUS ACRES
CONSISTING OF THE SW/4 SW/4 OF SECTION
21, TOWNSHIP 24 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO IN THE
LANGMAT 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 7th 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-369-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 24 SOUTH, RANGE 37 EAST, NMPM.
SW/4 SW/4 of Section 21

containing 40 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well
on the aforesaid lease known as Jack A-21, No. 1, located 660' from the
South and West lines of Section 21, Township 24 South, Range 37 East.

Order No. R-500

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-369-A, and is located within the limits of the pool heretofore delineated and designated as the Langmat Gas Pool.

(6) That at this time it is impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 21, Township 24 South, Range 37 East, and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 40 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 Langmat 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 24 SOUTH, RANGE 37 EAST, NMPM.
SW/4 SW/4 of Section 21

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

(2) That applicant's well, Jack A-21, No. 1, located in the SW/4 SW/4 of Section 21, Township 24 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 40 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.

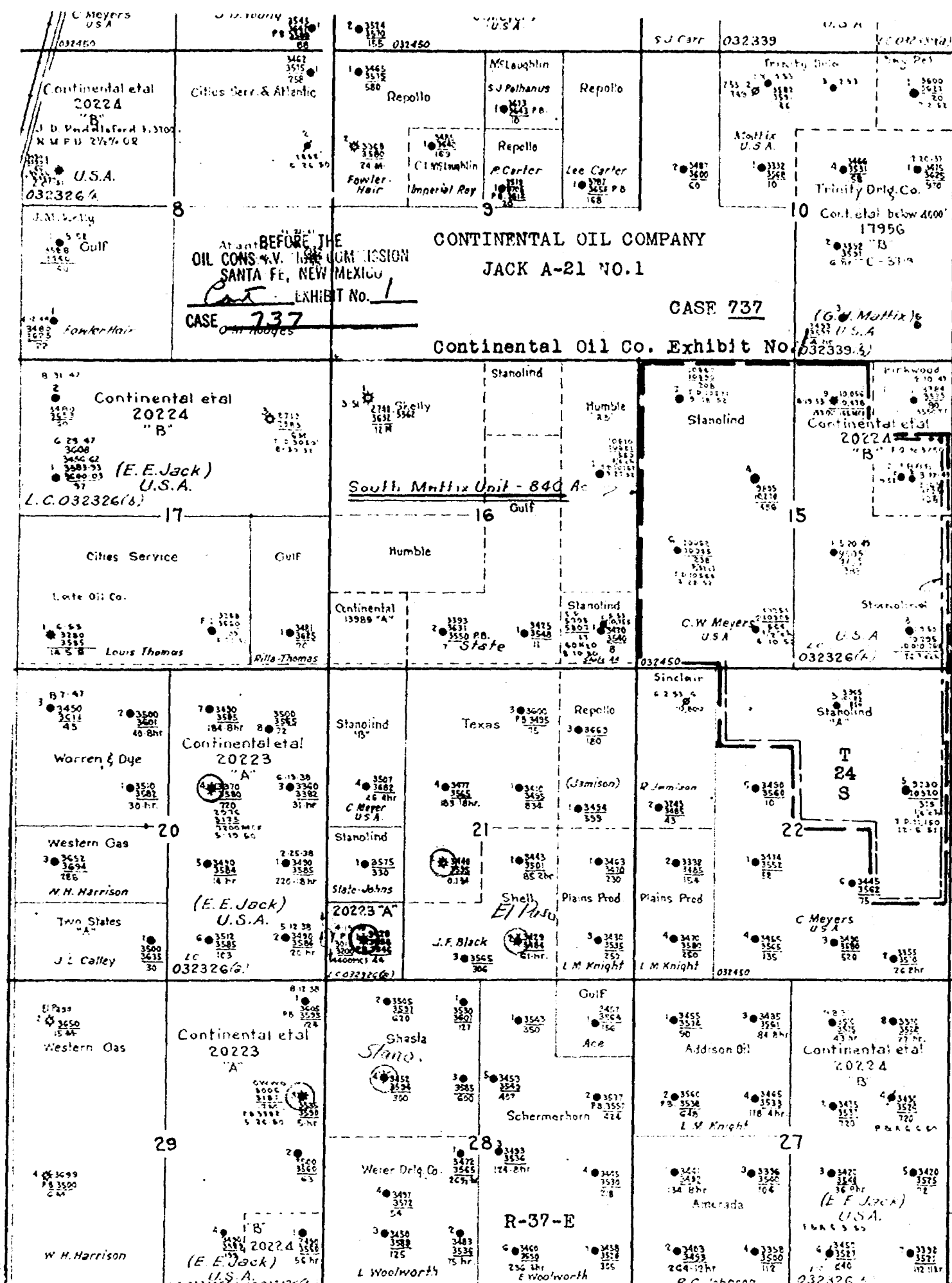
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


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-369-A FOR
AN UNORTHODOX GAS PRORATION UNIT CONSIST-
ING OF APPROXIMATELY 40 ACRES DESCRIBED
AS THE SW/4 SW/4 SECTION 21, TOWNSHIP 24
SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, FOR ITS JACK A-21 WELL NO. 1
IN THE LANGMAT POOL

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests an exception to Rule 7 (a) of Order No. R-369-A and approval by the Commission of an unorthodox gas proration unit for applicant's Jack A-21 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 Jack "A" Lease, covering the SW/4 SW/4, Section 21, Township 24 South, Range 37 East, N.M.P.M., Lea County, New Mexico, in addition to other lands outside the section.
2. Applicant drilled its Jack A-21 No. 1 well at a location described as 660 feet from the south and west lines of Section 21 on said lease and completed said well as an oil well producing from the Lower Seven Rivers Formation on November 18, 1937. Said well was subsequently recompleted on April 24, 1949, as a gas well producing from 3015 to 3200 feet in the Yates Formation.
3. Said well is located within the limits of the Langmat Gas Pool as defined by the Oil Conservation Commission and is the only well producing from said pool on the 40-acre unit described above.
4. Pooling of these lands with lands outside the above described unit to form gas proration units consisting of governmental quarter sections has not been accomplished to date. Operators owning interests within this quarter section have been contacted for the purpose of investigating the feasibility of effecting a communitization. The purpose of this application is to secure an allowable to the above mentioned well, pending the formation of a larger proration unit, provided such communitization is determined to be practicable.
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 Jack A-21 No. 1 well as described above.

CONTINENTAL OIL COMPANY

By 