

CASE 1151: Application of The Texas
Company for 114.41-acre non-standard
gas proration unit in Jalmat.

Case No.

1151

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 1, 1956

C
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P
Y

**Mr. H. N. Wade
The Texas Company
P. O. Box 1720
Fort Worth 1, Texas**

Dear Sir:

**We enclose a copy of Order R-906 issued October 26,
1956, by the Oil Conservation Commission in Case 1151, which was
heard on September 26, 1956.**

Very truly yours,

**A. L. Porter, Jr.
Secretary-Director**

**jh
encls.**

OK
to approve
WWM 10/8/56

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10/5/56

CASE 1151

Hearing Date 9/26/56

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the application of the Texas Co. for approval of a non-standard proration unit in the Jalmat Gas Pool. My reasons for this recommendation:

1. Texas Co presently has 76.25 acres consisting of the W/2 of the SW/4 of Section 31, T 24S, R 37E, but the well is capable of draining a much larger tract.
2. El Paso's 40 acre tract in the NW/4 of the NW/4 of Section 6 directly south has no well and has no place to go except to communitize with some neighboring tract.
3. El Paso attempted to communitize with Western's acreage to the SE, but the Commission by Order R-704 denied this and recommended the unit as applied for in Case 1151.

note to legal -

make increase in allowable contingent upon receipt of communitization affidavit.

Lawrence Miller
Staff Member

**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
CONSIDERING:**

**CASE NO. 1151
Order No. R-906**

**THE APPLICATION OF THE TEXAS COMPANY
FOR AN ORDER ESTABLISHING A 114.41-
ACRE NON-STANDARD GAS PRORATION UNIT
IN THE JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 28, 1936, at Hobbs, New Mexico, before Daniel S. Hutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of October, 1936, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Hutter, 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 applicant is the operator of the C. C. Fristoe "B" (NCT-4) Well No. 2 located 680 feet from the South line and 680 feet from the West line of Section 31, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That Lots 3 and 4 (W/2 SW/4) of said Section 31, containing 76.25 acres, are presently dedicated to applicant's C. C. Fristoe "B" (NCT-4) Well No. 2.

(4) That applicant, The Texas Company, and El Paso Natural Gas Company have agreed to and are now in the process of communitizing the following federal acreage in order to form a 114.41-acre non-standard gas proration unit, which they propose to dedicate to applicant's C. C. Fristoe "B" (NCT-4) Well No. 2, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 31: Lots 3 & 4 (W/2 SW/4)

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 6: Lot 4 (NW/4 NW/4)

all in Lea County, New Mexico.

-2-

Case No. 1151
Order No. R-906

(5) That the said C. C. Fristoe "B" (NCT-4) Well No. 2, is capable of efficiently draining the proposed unit and that the approval of said unit would not cause but would prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Texas Company for the establishment of a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage be and the same is hereby approved:

TOWNSHIP 34 SOUTH, RANGE 37 EAST, NEPM
Section 31: Lots 3 & 4, (W/2 SW/4)

TOWNSHIP 35 SOUTH, RANGE 37 EAST, NEPM
Section 6: Lot 4 (NW/4 SW/4)

all in Lea County, New Mexico.

(2) That the applicant's C. C. Fristoe "B" (NCT-4) Well No. 2, located in Lot 4 of said Section 31, be granted an allowable in the proportion that the above described 114.41-acre unit bears to the standard proration unit for the Jalmat Gas Pool in accordance with Rule 8 of the Special Rules and Regulations for said pool, upon receipt by the Commission of an Affidavit of Communitization or an executed counterpart of the Communitization Agreement.

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

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

John F. Sims
JOHN F. SIMS, Chairman

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

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



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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

CASE NO. 1151

TRANSCRIPT o f PROCEEDINGS

SEPTEMBER 26, 1956

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

H. N. WADE

a witness, called on behalf of the Applicant, having been first duly sworn on oath, testified as follows:

MR. NUTTER: State your name, please.

A H. N. Wade, W-a-d-e, with The Texas Company. I have testified before the Commission before.

MR. NUTTER: Yes, sir.

A I would like to hand you, first, a copy of this plat.

This application was necessitated due to the fact that the El Paso Natural Gas Company has found it either unfeasible or impossible to join the acreage marked, or colored, in blue in this Exhibit No. 1, which is the Northwest Quarter of the Northwest Quarter of Section 6, Township 25 South, Range 37 East, with other Jalmat acreage in Section 6.

It is proposed to join the acreage marked in blue, previously outlined, with the Texas Company's C. C. Fristoe "B," (NCT-4) Lease, which consists of the West Half of the Southwest Quarter, Section 31, Township 24 South, Range 37 East; all of the acreage would be assigned to the C. C. Fristoe "B," (NCT-4) Well No. 2, which is a gas well in the Jalmat Pool.

This well was completed November 26, 1948, as a gas well, it has seven and a half inch casing set at 3505 feet, perforated from 2760 to 2960 in the Yates, therefore falling within the present productive vertical limits of the Jalmat Pool.

Its initial potential, in May, on May 20, 1953, was 16,570

MCF per day, which was a calculated open flow potential. We do not have any recent tests, but this well is capable of producing its present allowable, and we are quite confident it will produce the new allowable which is being requested.

A portion of the gas from the subject well is sold, at this time, to El Paso Natural Gas Company for transmission in their pipeline, while the remainder is utilized on the Texas Company's ~~Acres~~ "A" and "B" Leases, and the Fristoe "B" (NCT-4) Lease for fuel purposes.

To further explain the problem involved here, I would like to give a summary insofar as my knowledge goes on it as to the problems involved that have gone before in El Paso's trying to join their acreage or considering joining their acreage in Section 6, since that is the reason for the hearing, in that we are assigning acreage across the section line. Phillips Petroleum Company initially assigned it to their Woolworth G-3 Well No. 2, the Southeast Quarter of the Northeast Quarter, the East Half of the Southeast Quarter and the Southwest Quarter of the Southeast Quarter of Section Six; Skelly assigned the Northeast Quarter of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter to its J. W. Sherrell Well No. 3, -- these wells are marked on the plat -- also in Section 6. It is my understanding that this Sherrell is overproduced and has been overproduced for some time and is shut in because of its overproduction, therefore the joining of El Paso's acreage to that well is not very attractive from that standpoint.

Phillips also assigned the Southwest Quarter of the Northwest

Quarter, West Half of the Southwest Quarter, Southeast Quarter of the Southwest Quarter to its Woolworth G-3 Well No. 1, and it is my understanding that El Paso felt that the location of this Woolworth G-3 Well No. 1, being in the Southwest Quarter of the Southwest Quarter of this Section was such that it would not be realistic from a drainage standpoint to assign their acreage to this well. El Paso made application to join Western Natural Gas in assigning the acreage in question to Western's Wells Federal Well No. 1 located in the Southwest Quarter of the Northeast Quarter of the Section; however, the Commission denied this application by Order R-704 and suggested communitization of El Paso's acreage with the Texas Company's acreage as outlined and marked in yellow.

Western Natural Gas has since assigned the acreage of 160, or the center portion, to its Wells Federal Well No. 1; Westates, which owns the Northeast Quarter of the Northeast Quarter of the Section, has dedicated that acreage to its Wells Federal B-6 Well No. 1. In other words, all the acreage in the Section 6 is presently assigned for gas production from the Jalmat Gas Pool with the exception of El Paso's acreage.

It is my understanding that Continental's Wells B-1, Well No. 1, in Section 1, Range 36 East, Township 25 South, is producing only enough gas for lease use. That well, as you will note, is directly adjacent to the acreage on which that well is drilled -- directly adjacent to the El Paso acreage. Therefore, the assignment of El Paso's 40 acres to this well is not feasible.

In view of the fact that all of the acreage in Section 6 is presently assigned to the Jalmat Gas wells for proration purposes and further that El Paso Natural Gas Company has found it impractical to assign its acreage to gas wells within that section, it is requested that the Commission issue an order granting the Texas Company an exception to Rule 5 (a) of Order R-520 in order to form a non-standard proration unit in the Jalmat Gas Pool, Lots 3 and 4, Section 31, Township 24 South, Range 37 East, and Lot 4, Section 6, Township 25 South, Range 37 East, Lea County, New Mexico.

We feel that this exception will be in keeping with conservation and resources, and will protect correlative rights.

I would like to inform the Examiner that if there are any detailed questions concerning any of the dealings insofar as El Paso is concerned, El Paso has a representative here, and they can answer those questions. I am not prepared at this time to go through the ramifications of this deal. We also have a representative of our land department that could answer any detailed questions.

MR. NUTTER: Do you have anything further?

A No.

MR. NUTTER: Does anyone have a question of Mr. Wade? Mr. Cooley?

MR. CODLEY: This is directed to the landmen of one of the two companies. Has Communitization Agreements been executed?

A It has been sofar as the Texas Company and El Paso is con-

cerned, and all working interests are at this time, they have either executed, or are in the process of executing, and also I understand that the Government, Federal portion of the leases, is now in the process of being signed. We have never run into any difficulty, incidentally, with communitization as far as Government lands are concerned.

MR. COOLEY: You understand that an increased allowable cannot be assigned to this well unless it is communitized?

A Yes, sir.

MR. NUTTER: Mr. Wade, do you feel that the entire acreage is productive of gas?

A Yes, sir.

MR. NUTTER: Does anyone have any further questions of the witness? If not, the witness may be --

MR. COOLEY: Would you care to introduce your exhibit into the testimony?

MR. WADE: Yes, sir, please. I would like to introduce Exhibit No. 1.

MR. NUTTER: Without objection, Exhibit No. 1, Case 1151, will be received in evidence.

Are there any further questions of the witness? If not, he may be excused.

(Witness excused.)

MR. NUTTER: Are there any statements that anyone wishes to make in this case?

MR. DANIEL: L. R. Daniel, El Paso Natural Gas Company. I would like to put on a witness supporting the application.

J. J. BOWDEN

a witness, called on behalf of El Paso Natural Gas Company, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. DANIEL:

Q State your name, address, and occupation to the Examiner, please.

A J. J. Bowden, I am Area Landman for El Paso Natural Gas Company.

Q Where are you based? A El Paso, Texas.

MR. DANIEL: Are this witness' qualifications acceptable?

MR. NUTTER: Yes, sir.

Q Are you familiar with the application in this case?

A I am.

Q Would you outline, briefly, what we seek to do there?

A We seek to join with the Texas Company in order to form a 114.41-acre non-standard proration unit with the Texas Company, consisting of Township 24 South, Range 37 East, Section 31, Lots 3 and 4, and, in Township 25 South, Range 37 East, Section 6, Lot 4.

Q In your capacity as Area Landman for El Paso, do you have occasion to work with land located in the Permian area?

A Yes.

Q And also located in Section 6, Township 25 South, Range 37

East?

A Yes.

Q And do you also work with the lands in Section 1, or are familiar with Section 1, Township 25 South, Range 36 East?

A Yes.

Q Does El Paso Natural Gas Company own an interest in any of the lands located in Section 6, 25, 37?

A They own an interest in Lot 4 of that Section.

Q I might ask you, is that an entire interest there?

A No, El Paso Natural Gas Company owns a 65-percent in gas to the Glorieta Formation, and 75 percent in gas below the Glorieta Formation; Indian Petroleum Corporation owns the balance of the interest in the gas, and Anderson Prichard, Indian Petroleum Company and the First Chicago Corporation own the oil rights in that lot.

Q But in this particular well in the Jalmat, El Paso's interests would be what?

A El Paso's interest, if it were to be communitized and dedicated to the Texas Company Well, would be a 65 percent of the gas insofar as the portion pertaining to Lot 4.

Q Of your own knowledge, Mr. Bowden, do you know whether or not non-standard gas proration units have been granted by the Commission covering other lands in Section 6?

A It's my understanding that all except Lot 4 has been for the Jalmat Gas Pool.

Q Is El Paso's acreage at this time dedicated to any other of those units?

A No.

Q What efforts, if you will just summarize again for the Examiner here, have been made by El Paso Natural Gas Company to dedicate its acreage to such a non-standard proration unit in Section 6, or others?

A At the time Phillips asked for an exception for its Woolworth No. 1 Well in the Southwest Southwest Section 6, El Paso could foresee that unless it were able to have its acreage dedicated to a proration unit that it might find itself in a position that the entire section, with exception of our acreage, would be committed and we might be deprived of our gas rights, and so at that time we began to check in to see if we could join a unit. We contacted all the offsetting operators, not only in Section 6, but in the surrounding sections, and we discovered and came to the conclusion that after a careful study of the situation that about the only three units we could join would be possibly the Skelly Unit, which is in the North Half of the North Half of Section 6; the Western Natural Gas Company's proposed unit, which consisted of the four center Quarter Quarter Sections of Section 6, and possibly the Texas Unit which is in the West Half of the Southwest Quarter of Section 31, as shown on the Exhibit. We contacted Skelly Oil Company and found that their Sherrell No. 3 Well was overproduced in the amount of approximately 70,000 MCF, and therefore we felt that we would not be desirous to join this unit. The Phillips well was approximately three-quarters of a mile south, and, from the drainage standpoint, we did not feel that this would be feasible; the Continental Well

to the east, was used for gas purposes only.

Q That was to the west, wasn't it?

A To the west, and therefore about the only feasible unit that we could join would be the Texas Company Unit to the north or the Western Natural Gas' proposed unit consisting of the four center Quarter Quarter Sections of Section 6. We contacted both of these companies again to see if we could enter into their units, it if would be desirable and feasible. We were able to work out a consent with Western Natural Gas Company to join their unit; we joined with Western Natural Gas Company and they made their application; the communitization agreements were prepared and commenced to be circulated and the application was heard before the Commission, and as a result of this application to form this non-standard proration unit in the Jalmat Gas Pool, consisting of the four Quarter Quarter Sections of Section 6, together with El Paso's Lot 4, Order No. R-704 was issued whereby the application was denied and the Commission, in its Paragraph 6, stated that "the orderly development of the Jalmat Gas Pool, and the protection fo correlative rights, would best be accomplished by the communitization of Federal gas acreage consisting of the Northwest Northwest of Section 6, Township 25 South, Range 37 East, New Mexico Principal Meridian, with presently dedicated Federal gas acreage consisting of the West Half of the Southwest Quarter of Section 31, Township 24 South, Range 37 East, New Mexico Principal Meridian, Lea County, New Mexico." And, as a result of this recommendation of the Commission, El Paso Natural

Gas Company then re-approached The Texas Company and we were able to join into the proposed unit with The Texas Company, and this application has resulted as a result of that recommendation of the Commission. We have also prepared and have circulated a communitization agreement consisting of the proposed -- the acreage to be dedicated to the proposed non-standard proration unit and it has been circulated and executed by the Texas Company, which, of course, owns the acreage in Section 31, and the Indian Petroleum, which, together with El Paso, owns the acreage of -- interest in Section 6. The balance of the parties to the communitization agreement have not at this time executed the communitization agreement, although they have been contacted and have consented to it, just have not had time to be completely circulated at this time, and we expect no difficulty in communitizing the tract.

MR. NUTTER: Mr. Bowden, is that right?

A Yes.

MR. NUTTER: Do you have a copy of that order that was entered in Western's application?

A It is not an executed copy, but I do have a copy with me.

MR. NUTTER: Just hand me the sheets there, I just wanted to take a look at it. Do you have anything further, Mr. Bowden?

A The only further thing that I do have is that since the date of this order, October 13, 1955, El Paso has diligently been attempting to communitize this tract with the Texas Company, and in accordance with the recommendations of the Commission.

MR. DANIEL: We have no further questions. Does the Examiner have any questions of this witness?

MR. NUTTER: Does anyone have any questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything further that they wish to offer in this case? If not, we will take the case under advisement.

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STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct transcript to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 1st day of October, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My Commission Expires:

April 3, 1960.

R 36 E

R 37 E

Shell	Western	Miner Southern Cal. Pet.	Southern Cal. Pet.
Phillips	Shell	Martin D *	
36		31	
Clute Service Star W *	Texas Clute *	Shelly Star *	
Continental W. H. S. *	El Paso R. Green Anderson Prichard First Chicago R. Green	Shelly J. M. Sharret *	Westcoast W. H. S. *
	Phillips	Western R. Green Indian Anderson Prichard First Chicago 6	Phillips W. H. S. *
Standard of Texas Continental Atlantic Standard	W. H. S. *		

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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Texas EXHIBIT No. 1
CASE 1151

DOCKET: EXAMINER HEARING SEPTEMBER 26, 1956

New Mexico Oil Conservation Commission 9:00 a.m., Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1150: Application of Amerada Petroleum Corporation for an order granting permission to make up underproduction on its M. J. Raley "A" No. 1 Oil Well resulting from pipeline proration in exception to Rule 503 (f) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks permission to make up approximately 3,990 barrels of under-produced oil which accrued to its M. J. Raley "A" No. 1 Well located 660 feet from the North and East lines of Section 18, Township 20 South, Range 38 East, North Warren McKee Pool, Lea County, New Mexico, which resulted from the Cities Service pipeline proration during the months of April and May of 1956.

CASE 1151: Application of The Texas Company for an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 24 South, Range 37 East
Section 31: Lots 3 & 4 (W/2 SW/4)

Township 25 South, Range 37 East
Section 6: Lot 4 (NW/4 NW/4)

Said unit to be dedicated to applicant's C. C. Fristoe "B" (NCT-4) No. 2 Well located 660 feet from the South and West lines of Section 31, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 1152: Application of Continental Oil Company for an order authorizing a gas-gas dual completion in the Tubb and Blinberry formations of undesignated gas pools in the SE/4 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, in exception to Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations, and further, authorizing the commingling of the liquids produced from the two zones in exception to Rule 303 of the New

Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause proposes to dually complete in the Tubb and Blinebry formations its Warren Unit Well No. 8 located 1980 feet from the South and East lines of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, by means of parallel strings of tubing and to store the liquids produced therefrom in common tankage.

CASE 1153: Application of Continental Oil Company for an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 of Section 10 and the SW/4 of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Britt "B-10" Well No. 3 located 660 feet from the South and East lines of said Section 10.

CASE 1154: Application of Continental Oil Company for an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 Section 14 and E/2 E/2 Section 15, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Skaggs "B-14" Well No. 1 located 1980 feet from the South line and 660 feet from the West line of said Section 14.

CASE 1155: Application of Continental Oil Company for an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 and E/2 SW/4 of Section 31, Township 21 South, Range 36 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Lockhart "B-31" Well No. 4 located 330 feet from the South line and 660 feet from the East line of said Section 31.

CASE 1156: Application of Continental Oil Company for a 240-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a

240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 and the E/2 NW/4 of Section 28, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 1 located 1980 feet from the North and East lines of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CASE 1157:

Application of Continental Oil Company for a 360-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 and E/2 SW/4 of Section 28, and N/2 NE/4 and NE/4 NW/4 of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CONTINUED CASE

CASE 1137:

Application of Humble Oil and Refining Company for permission to convert its State "A" Well No. 2 into a salt water disposal well in the San Andres formation of the Hobbs Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its previously abandoned State "A" Well No. 2 into a salt water disposal well; said well is located 330 feet from the South and East lines of Section 25, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject salt water below the oil-water contact of the San Andres formation in the Hobbs Pool.

1956 AUG 31
PRODUCING DEPARTMENT
WEST TEXAS DIVISION

MAIN OFFICE OCC

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



*Sent copy to
7 Doctored
Hester on 9/1/56*
P. O. BOX 1720
FORT WORTH 1, TEXAS

August 28, 1956

APPLICATION OF THE TEXAS COMPANY
FOR AN EXCEPTION TO RULE 5(a),
ORDER R-520, OF THE SPECIAL RULES
FOR THE JALMAT GAS POOL, LEA CO.,
NEW MEXICO

C. C. Fristoe (b) (NCT-4) Well No. 2

New Mexico Oil Conservation
Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Attached is an application of The Texas Company for a non-standard gas proration unit to apply to its C. C. Fristoe (b) (NCT-4) Well No. 2, SW/4 SW/4 of Section 31, T-24-S, R-37-E, N.M.P.M., Lea County, New Mexico. This application is in exception to Rule 5(a), Order R-520 of the special rules of the Jalmat Gas Pool in that the proposed non-standard proration unit will consist of acreage in two adjoining sections.

Please set this application for early hearing before an examiner at Hobbs, New Mexico.

Yours very truly,

H. N. Wade

H. N. Wade
Petroleum Engineer

HNW-MFT

cc-NMOCC
Hobbs, N.M.

NEW MEXICO OIL CONSERVATION COMMISSION

Before an Examiner at Hobbs, New Mexico

In the Matter of the Application of The Texas)
Company for an Exception to Rule 5(a) of Order)
R 520 of the Special Rules for the Jalmat Gas)
Pool, Lea County, New Mexico, for The Texas)
Company #2 NCT-4 C.C. Fristoe B Gas Well which)
is located in the SW/4 SW/4 of Section 31, Town-)
ship 24 South, Range 37 East, N.M.P.M., Lea)
County, New Mexico)

Case No. 1151

To the Examiner of the New Mexico Oil Conservation Commission:

Now comes The Texas Company and requests the Commission to set a hearing before an Examiner at the Hobbs, New Mexico office of the New Mexico Oil Conservation Commission and grant an exception to Rule 5(a) of that part of the New Mexico Oil Conservation Commission Order Number R-520 pertaining to the Jalmat Gas Pool, Lea County, New Mexico, for its #2 NCT-4 C. C. Fristoe B Gas Well, and for its grounds therefore states:

1. That applicant completed its #2 NCT-4 C.C. Fristoe B Well on November 21, 1948. That said well is located 660 feet from the South Line and 660 feet from the West Line of Section 31, Township 24 South, Range 37 East, N.M.P.M. This well was drilled to a total depth of 3503 feet, but was plugged back to 3388 feet and is now a gas well producing from the Jalmat Gas Pool. On May 20, 1953, this well tested 11,700 MCF per day absolute open flow.
2. That for gas allocation purposes, this well is currently assigned a 76.25 acre gas proration unit consisting of Lots 3 and 4, Section 31, Township 24 South, Range 37 East, N.M.P.M.
3. That The Texas Company and El Paso Natural Gas Company have agreed to and are now in the process of communitizing the following acreage in order to form a 114.41 acre unit, to-wit:

Township 24 South, Range 37 East, N.M.P.M.
Section 31: Lots 3 & 4 (W/2 SW/4)

Township 25 South, Range 37 East, N.M.P.M.
Section 6: Lot 4 (NW/4 NW/4)

4. That all of the acreage in Section 6, Township 25 South, Range 37 East, N.M.P.M. except Lot 4 has been dedicated to a producing gas well.
5. That by Order Number R-704 of the New Mexico Oil Conservation Commission, the Commission stated:

"(6) That the Orderly development of the Jalmat Gas Pool and protection of correlative rights would best be accomplished by the communitization of Federal gas acreage consisting of the NW/4 NW/4 of Section 6, Township 25 South, Range 37 East, N.M.P.M., with presently dedicated Federal gas acreage consisting of the W/2 SW/4 of Section 31, Township 24 South, Range 37 East, N.M.P.M., Lea County, New Mexico."

6. That the proposed Non-Standard Gas Proration Unit consists of contiguous quarter-quarter sections.
7. That the entire proposed Non-Standard Gas Proration Unit may reasonably be presumed to be productive of gas.
8. That the length and width of the proposed Non-Standard Gas Proration Unit does not exceed 5280 feet.

9. That there is attached hereto a plat showing the acreage to be dedicated to the proposed Non-Standard gas proration unit, the location of the proposed well, and the offset ownership.
10. The granting of the exception requested herein will not adversely affect the correlative rights of any offset owner and will protect the correlative rights of applicant, will prevent waste, will avoid the drilling of unnecessary wells, and is in the interest of conservation.

WHEREFORE, applicant requests that this matter be set down for hearing before an Examiner at the Hobbs, New Mexico Office of the New Mexico Oil Conservation Commission, that proper notice as required by law be published, and that the Commission issue its order granting applicant an exception to Rule 5(a) of Order No. R-520 in order to form a Non-Standard Gas Proration Unit in the Jalmat Gas Pool consisting of Lots 3 and 4 of Section 31, Township 24 South, Range 37 East, N.M.P.M., and Lot 4 of Section 6, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

APPROVED AS TO
 Terms FAIR & REASONABLE
 Form JP

THE TEXAS COMPANY

By J. M. Markley, Jr.
 ATTORNEY-IN-FACT

THE STATE OF Texas)
 COUNTY OF Tarrant) SS.:

On this 24th day of August, 1956, before me personally appeared J. M. MARKLEY, JR., to me known to be the person who executed the foregoing application and states that the foregoing elements are true to the best of his knowledge.

Ann Matthews
 Notary Public

ANN MATTHEWS

R 36 E

R 37 E

Shell	Western	Tidewater Southern Cal. Pet.		Southern Cal. Pet.
Phillips	Shell	Martin B ★ 1		
36	Chico Service Star W ★ 1		Texas PCCO 2 ★ 2 20%	31 Skelly Skelly ★ 5
	Continental W-1 ★ 1	El Paso R. Olson Anderson Prichard First Chicago E. Olson	Skelly J.M. Sherratt ★ 3	Westates Wells Fed. Bk. ★ 1
		Phillips	Western R. Olson Indian Anderson Prichard First Chicago 6	Phillips Woolworth G.S. ★ 1
	Standard of Texas Continental Atlantic Standard	Woolworth, G.S. ★ 1		

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