

CASE 3196: Application of TEXAS  
PACIFIC OIL CO. for a non-stand-  
ard gas proration unit, Lea Co.

CASE NO.

3196

Application,  
TRANSCRIPTS,  
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 NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3196  
Order No. R-2865

APPLICATION OF TEXAS PACIFIC OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of February, 1965, 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, Texas Pacific Oil Company, seeks approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to be simultaneously dedicated to its State "A" A/c-2 Well No. 40 located in Unit C and its State "A" A/c-2 Well No. 43 located in Unit H of said Section 8.

(3) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the State "A" A/c-2 Well No. 40 and the State "A" A/c-2 Well No. 43.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

-2-

CASE No. 3196  
Order No. R-2865

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby created and simultaneously dedicated to the Texas Pacific Oil Company State "A" A/c-2 Well No. 49 located in Unit C and State "A" A/c-2 Well No. 43 located in Unit H of said Section 8.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) 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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

ser/

State of New Mexico  
Oil Conservation Commission



**February 11, 1965**

TEXAS PACIFIC OIL COMPANY

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

OTHER \_\_\_\_\_

Case 3196

Heard 1-27-65

Rec. 1-27-65

1 Grant Texas Pacific Oil Co. permission  
to dedicate their St. "A" A/c-2 #43,165 of  
N + 980/E line sec. 8 and their St "A" A/c-2 #49  
660/N + 1980/W lines same sec. to the  
N/2 of said sec. 8.

Thrusting

Docket No. 3-65

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 27, 1965

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 3193: Application of International Oil & Gas Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the High Lonesome Penrose Unit Area comprising 320 acres of State and Federal lands in Section 15, Township 16 South, Range 29 East, Eddy County, New Mexico.
- CASE 3194: Application of International Oil & Gas Corporation for expansion of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its High Lonesome Waterflood Project by the conversion to water injection of three wells located in Units A, B, and J, Section 15, Township 16 South, Range 29 East, High Lonesome Pool, Eddy County, New Mexico.
- CASE 3195: Application of H & M Oil Company, et al for a waterflood project, Eddy County, New Mexico. Applicants, H & M Oil Company, Kincaid & Watson, N. E. Salsich, Jr., and Kersey, seek authority to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg and San Andres formations through six injection wells in Section 1, Township 17 South, Range 29 East and one injection well in Section 6, Township 17 South, Range 30 East, Eddy County, New Mexico.
- CASE 3196: Application of Texas Pacific Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the N/2 of Section 8, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its State "A" A/c-2 Well No. 49 located in Unit C and to its State "A" A/c-2 Well No. 43 located in Unit H of said Section 8.
- CASE 3197: Application of Texas Pacific Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 5, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its State "A" A/c-2 Well No. 41 located in Unit M and its State "A" A/c-2 Well No. 27 located in Unit P of said Section 5.
- CASE 3198: Application of Texaco Inc. for an amendment of Order No. R-2758, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Rule 6 of Order No. R-2758, which order promulgated special pool rules for the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico. Applicant seeks a 160-acre proportional factor for said pool of 4.77 rather than a factor of 2.77 as previously established by the Commission.

January 27, 1965, Examiner Hearing

- CASE 3199: Application of Sinclair Oil & Gas Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 240-acre non-standard gas proration unit comprising the NW/4 and the N/2 SW/4 of Section 20, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its William H. Harrison "C" WN Well No. 3 located in Unit L of said Section 20.
- CASE 3189: (Continued from the January 6, 1965, Examiner Hearing)  
Application of Continental Oil Company for a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Jicarilla Apache 30 Well No. 2 located in Unit C of Section 29, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Chacra formation and oil from the Gallup formation through the casing-tubing annulus and tubing, respectively.
- CASE 3200: Application of Cabot Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation through perforations from 9406 to 10,037 feet in its Lowe "G" Well No. 1 located in Unit O of Section 26, Township 12 South, Range 37 East, King Field, Lea County, New Mexico.
- CASE 3201: Application of Union Texas Petroleum, Division Allied Chemical Corporation, for an exception to Rule 14(A) of the General Rules and Regulations for Prorated Gas Pools in Northwest New Mexico under Order No. R-1670, as amended. Applicant, in the above-styled cause, seeks an exception to the underproduction cancellation provisions of Rule 14(A) of Order No. R-1670 for its Johnson Federal No. 4 Well, located in the SW/4 NE/4 of Section 33, Township 31 North, Range 9 West, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, to permit said well to carry forward into the next gas proration period the unproduced allowable which was previously carried forward and to permit the same to be produced during the proration period beginning February, 1965, in addition to the allowable currently assigned to said well.
- CASE 3202: Application of International Oil & Gas Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through 9 wells in Sections 10 and 11, Township 18 South, Range 28 East, Eddy County, New Mexico.



*Set for  
Cand 7 Examiner*

TEXAS PACIFIC OIL COMPANY

P. O. Box 1069  
Hobbs, New Mexico

December 28, 1964

*NSP  
411  
Approved 320ac  
unit for well No 43  
Filed 28 Dec 1964*

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

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

RE: Texas Pacific Oil Company's Application for  
Non-Standard 320-acre Gas Proration Unit  
Consisting of the N/2 of Section 8,  
T-22-S, R-36-E, Jalmat Gas Pool  
Lea County, New Mexico

Gentlemen:

Texas Pacific Oil Company respectfully requests Administrative Approval under the provisions of Rule 5(c) of Order R-1670 for the formation of a 320-acre non-standard gas proration unit consisting of the N/2 of Section 8, T-22-S, R-36-E, Lea County, New Mexico.

The 320-acre unit will be dedicated to State "A" A/c-2 No. 43 (1650' FNL and 990' FEL, Section 8, T-22-S, R-36-E) and State "A" A/c-2 No. 49 (660' FNL and 1980' FWL, Section 8, T-22-S, R-36-E). We further request that we be allowed to produce the allowable in any proportion from the two wells.

In support of this request the following facts are presented:

1. The proposed unit consists of 320 acres being less than the standard 640-acre unit for the Jalmat Pool.
2. The proposed unit consists of contiguous quarter-quarter sections, all within a governmental section.
3. The proposed unit may reasonably be presumed to be productive of gas.
4. The proposed unit does not exceed 5280 feet in length or width.
5. Copies of this application have been furnished this date to all offset operators and all operators within 1500 feet of this unit.
6. This proposed unit was previously dedicated to State "A" A/c-2 No. 43.

A plat is attached hereto showing the proposed unit, the location of the wells and the offset ownership.

In view of these facts set out herein, it is respectfully requested that the Commission grant Administrative Approval of the non-standard gas proration unit for Texas Pacific Oil Company's State "A" A/c-2 No. 43 and State "A" A/c-2 No. 49.

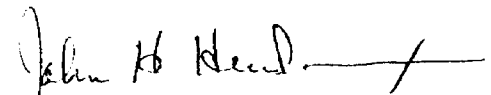
Page 2

Oil Conservation Commission  
Application for Non-Standard  
320-acre Gas Proration Unit

If this application is not eligible for Administrative Approval, please place application on the hearing docket tentatively set for January 27, 1965.

Yours very truly,

TEXAS PACIFIC OIL COMPANY



John H. Hendrix  
District Engineer

BH/dw

Attachments

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico

cc: All Offset Operators:

Gulf Oil Corporation  
P. O. Box 1938  
Roswell, New Mexico

Cities Service Oil Company  
P. O. Box 69  
Hobbs, New Mexico

[illegible][illegible]

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION

PHONE 827-2741

January 4, 1965

C  
O  
P  
Y  
  
Texas Pacific Oil Company  
P. O. Box 1069  
Hobbs, New Mexico

DOCKET MAILED

Date 1-15-65

Attention: Mr. John H. Hendrix

Re: Application for a 320-acre Non-Standard  
Jalmat Gas Proration Unit Comprising the  
N/2 of Section 8, Township 22 South, Range  
36 East, NMPM, Lea County, New Mexico

Gentlemen:

The above application is not eligible for administrative approval due to the provisions of Rule 5(B) of the General Rules and Regulations Governing Prorated Gas Pools in Southeastern New Mexico which does not permit the dedication of 320 acres to a well located nearer than 660-1980 to the boundary lines of the proration unit. Therefore, in accordance with your request, we have docketed your application for the examiner hearing tentatively scheduled for January 27, 1965.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 27, 1965

EXAMINER HEARING

IN THE MATTER OF:

APPLICATION OF TEXAS PACIFIC OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO

Case No. 3196

BEFORE:

ELVIS A. UTZ

TRANSCRIPT OF HEARING



dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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MR. UTZ: Case Number 3196.

MR. DURRETT: Application of Texas Pacific Oil Company for a non-standard gas proration unit, Lea County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico, representing the applicant. I have one witness, Mr. Moritz.

MR. UTZ: Are there other appearances in this case? Proceed.

J E R R Y I. M O R I T Z, the witness, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name and address, by whom you are employed and in what capacity.

A My name is Jerry I. Moritz; staff engineer with Texas Pacific Oil Company in Hobbs, New Mexico.

Q Are you familiar with the application in Case Number 3196?

A Yes, I am.

Q And did you prepare the exhibits which you are going to refer to in this case, or were they prepared under your direction?

A Yes.

Q I refer you to Exhibit A--well, before we get to

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that, would you briefly advise the Commission or the Examiner what you are attempting to do by this particular application.

A By this application we are attempting to establish a non-standard 320-acre gas proration unit in the Jalmat Gas pool.

Q I refer you to Exhibit A and ask you to explain that exhibit.

A Exhibit A is our copy of application to establish 320-acre non-standard gas proration unit consisting of the north half of Section 8, Township 22 South, Range 36 East, Lea County, New Mexico. The proposed unit consists of 320 acres, being less than a standard 640-acre unit, for the Jalmat Gas Pool. The proposed unit consists of contiguous quarter-quarter sections all within a governmental section. The proposed unit does not exceed 5,280 feet in length or width and may be reasonably expected to be productive of gas.

Q Is this 320 acres presently dedicated to any well?

A Yes, it is presently dedicated to Well Number 43. Exhibit A is a lease ownership plat which shows the proposed unit and the location of the subject wells. The 40 acreage of the State A Account 2 lease is outlined in yellow and the proposed unit is outlined in red, with the wells designated in red.

Q Which of the two wells is the 320 acres presently

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dedicated to?

A Number 43, located in the southeast of the northeast.

Q And what is the number of the well you propose to have it dedicated to also?

A We propose to add Well Number 49, which is in the northeast of the northwest, and also to Number 43.

Q I refer you to what has been marked Exhibit C, and ask you what that is.

A Exhibit C is a copy of Order Number 2122, approved November 8, 1961, which authorizes dedication of this 320 acres to Well Number 43.

Q And approved the non-standard unit, did it not?

A Yes.

Q --Which is the same unit which is the subject matter of this hearing?

A Correct.

Q To what well or wells do you now propose that this 320 acre unit be dedicated?

A We propose to dedicate the unit to Texas Pacific's State A Account 2 Well Number 43 and Number 49.

Q And are you requesting that you be authorized to dedicate the entire 320 acres to each of these wells?

A Yes.

Q And you would have, I presume, one half of the



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normal field allowable for this unit?

A Correct.

Q And how do you propose to produce this allowable for these two wells?

A We propose to produce these two wells on a 50-50 proportion, as close as possible.

Q In essence, your application is merely to add Well Number 49 to the unit which is already dedicated to Well Number 43, which has been approved previously?

A Correct.

Q Would you explain why you propose to add the second well.

A Well Number 43 will not quite make top level gas production for a 320-acre unit. Therefore, in an effort to obtain top allowable we decided to dual-complete our wells in the present 320-acre unit in the Jalmat Gas Unit. Exhibit C is a structure map from which can be seen, in the northwest quarter of Section 8, that the structural position is not too important. Therefore to comply with Rule Number 5 of Order K-1670, we chose a well on a 660-1980 location, which is Well Number 49.

Q Let me go back and again ask--what proportion of the proposed unit allowable do you propose to produce from each well?

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A We propose to produce those on a 50-50 basis.

Q To the extent that it is possible to do so?

A Yes.

Q Has the Oil Conservation Commission previously authorized a unit with two wells dedicated to it, in the Jalmat Pool?

A Yes, the Oil Conservation Commission granted Maracon Oil Company a unit with two wells dedicated to it. This unit is located in Section 16.

Q Which is reflected on Exhibit A?

A Right.

Q Do you have anything further you would like to offer in connection with this application?

A No, I don't believe so.

MR. RUSSELL: At this time I would like to offer in evidence Applicant's Exhibits A through D, inclusive.

MR. UTZ: Without objection, Applicant's Exhibits A through D will be accepted in the record of this case.

MR. RUSSELL: I have no further questions of this witness.

MR. UTZ: Your 13 well would be easily capable of producing the 100-acre allowable, would it not?--Number 43?

A Yes, sir, it sure would.

Q And the same question in regard to Number 49.

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A Yes.

Q What advantage is it to you to dedicate two wells to one unit, rather than one well to the 160 acres?

A Well, the only advantage as we see it is that at such time as one of the other wells would get down to a state of low production, we would have to come back at a later time and ask you again to re-dedicate this acreage in some manner.

Q In other words, it's simply a proposition of one well being able to produce more than 50% of its share of the 320-acre allowable at some time?

A Yes.

Q You propose a 50-50, or nearly so. Is it your proposal to put that in the form of an order?

A No, we would like to refrain from this, due to the fact that sometime--if you were to put a restriction on it, at a later date when one of the wells might not be able to produce this 50%, we would not be able to obtain top allowable. If at such time one of them would go below capacity to produce 50%, we would produce it to the maximum, and use the other well as a make-up well.

Q Number 49 well is located so that 320 acres could be dedicated to it, is that true?

A Right.

Q Number 43 is not--is that also true?

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A Yes, it almost is. It's on a 1,650 location, and 660. We would probably take another hearing.

Q From the proration unit line it's only 990 from the east?

A Correct.

Q Whereas the standard rule is 1,980 from the east?

A Yes.

Q So that under ordinary circumstances you could only dedicate 160 acres to the Number 43 well?

A Right.

Q But you have had a past order that grants you an exception to that rule?

A Right. That was before a hearing.

Q Actually if you made application for two 260-acre units, you wouldn't have had to have had this hearing, would you?

A No.

MR. UTZ: Are there other questions of this witness?

MR. DORRSETT: I have one question. Did I understand your testimony correctly--it's your intention as far as operating this proposed unit, that you will try to produce approximately 50% of the 320-acre allowable from each well?

A Correct.

Q And you don't desire any type of restriction in the

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order--in other words, you would like to have authority to produce the entire allowable or any portion thereof that you would desire, from either well?

A Correct.

Q I assume that you are of the opinion that both wells together can effectively and economically drain the unit?

A Yes.

Q Do you believe that either one alone could do it, or could they both, alone, do it?

A Either one, or alone, effectively drain it ... ?

Q Would one of these wells drain the entire 320 acres, do you think?

A I'm sure they would.

Q Do you think that is true for both of the wells? -- I don't mean together; I mean both wells, from the idea that each one would be capable of draining the entire area?

A Yes, I believe so.

Q Is that based upon the structure and your familiarity with the area?

A Yes; and also the Commission in several rules back has established that one well would effectively drain 340 acres.

Q And you believe it?

A Yes.

MR. UTZ: Are there other questions? ... The witness

may be excused. Are there other statements to be made in this case? ... The case will be taken under advisement.

\* \* \*

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, ELIZABETH K. HALE, Notary Public and Court Reporter, do certify that the foregoing transcript in Case Number 3196 was prepared by me and is a true and correct record of proceedings to the best of my knowledge, skill and ability.

Witness my hand and seal of office this 16th day of February, 1965.

*Elizabeth K. Hale*  
Notary Public

My commission expires  
May 23, 1968.



dearnley-meier

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I do hereby certify that the foregoing is a complete record of the proceedings in the Final Hearing of Case No. 3196.  
Heard by me on Jan. 23, 1965.  
*Thurston*, Examiner  
New Mexico Oil Conservation Commission

TEXAS PACIFIC OIL COMPANY

P. O. Box 1069  
Hobbs, New Mexico

December 28, 1964

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
APPN. EXHIBIT NO. A  
CASE NO. 3196

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

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

RE: Texas Pacific Oil Company's Application for  
Non-Standard 320-acre Gas Proration Unit  
Consisting of the N/2 of Section 8,  
T-22-S, R-36-E, Jalmat Gas Pool  
Lea County, New Mexico

Gentlemen:

Texas Pacific Oil Company respectfully requests Administrative Approval under the provisions of Rule 5(c) of Order R-1670 for the formation of a 320-acre non-standard gas proration unit consisting of the N/2 of Section 8, T-22-S, R-36-E, Lea County, New Mexico.

The 320-acre unit will be dedicated to State "A" A/c-2 No. 43 (1650' FNL and 990' FEL, Section 8, T-22-S, R-36-E) and State "A" A/c-2 No. 49 (660' FNL and 1980' FNL, Section 8, T-22-S, R-36-E). We further request that we be allowed to produce the allowable in any proportion from the two wells.

In support of this request the following facts are presented:

1. The proposed unit consists of 320 acres being less than the standard 640-acre unit for the Jalmat Pool.
2. The proposed unit consists of contiguous quarter-quarter sections, all within a governmental section.
3. The proposed unit may reasonably be presumed to be productive of gas.
4. The proposed unit does not exceed 5280 feet in length or width.
5. Copies of this application have been furnished this date to all offset operators and all operators within 1500 feet of this unit.
6. This proposed unit was previously dedicated to State "A" A/c-2 No. 43.

A plat is attached hereto showing the proposed unit, the location of the wells and the offset ownership.

In view of these facts set out herein, it is respectfully requested that the Commission grant Administrative Approval of the non-standard gas proration unit for Texas Pacific Oil Company's State "A" A/c-2 No. 43 and State "A" A/c-2 No. 49.

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Page 2

Oil Conservation Commission  
Application for Non-Standard  
320-acre Gas Proration Unit

If this application is not eligible for Administrative Approval, please place application on the hearing docket tentatively set for January 27, 1965.

Yours very truly,

TEXAS PACIFIC OIL COMPANY

John H. Hendrix

John H. Hendrix  
District Engineer

BH/dw

Attachments

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico

cc: All Offset Operators:

Gulf Oil Corporation  
P. O. Box 1938  
Roswell, New Mexico

Cities Service Oil Company  
P. O. Box 69  
Hobbs, New Mexico

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APPN EXHIBIT NO. B

APPN EXHIBIT NO. B

CASE NO. 3196 Atlantic City Serv.

30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1	0
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	

		Name					"Lockhart"
1	4	2	11	3	6	8	4

J K Rector	19396	State	U.S.	S. 1
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Mexico 3  
 H.S. Record  
 Cities Service  
 Gulf B-229  
 "D"

Late Oilfield  
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EXHIBIT "C"

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:

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
APPN EXHIBIT NO. C  
CASE NO. 3196

CASE No. 2428  
Order No. R-2122

APPLICATION OF TEXAS PACIFIC  
COAL & OIL COMPANY FOR A 320-  
ACRE NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, 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 17th day of November, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Texas Pacific Coal & Oil Company, is the owner and operator of the State "A" A/c-2 Lease comprising, in pertinent part, Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That said Section 8 has been comprised of two 320-acre non-standard gas proration units in the Jalmat Gas Pool, one unit comprising the W/2 of said Section 8 and dedicated to the applicant's State "A" A/c-2 Well No. 37, located in the NE/4 SW/4 of Section 8, and one unit comprising the E/2 of said Section 8 and dedicated to the applicant's State "A" A/c-2 Well No. 43, located in the SE/4 NE/4 of said Section 8.

(4) That the applicant now seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the N/2 of said Section 8, said unit to be dedicated to the above-described State "A" A/c-2 Well No. 43; that the applicant has applied for administrative approval of a 320-acre non-standard gas proration unit comprising the S/2 of said

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CASE No. 2428  
Order No. R-2122

Section 8, said unit to be dedicated to the State "A" A/c-2 Well No. 56, located in the NW/4 SE/4 of said Section 8.

(5) That the said State "A" A/c-2 Well No. 37 should be shut-in insofar as the Jalmat Gas Pool is concerned, that the production status of said State "A" A/c-2 Well No. 37 should be charged equally to the State "A" A/c-2 Well No. 43 and the State "A" A/c-2 Well No. 56, and that 50 percent of the production status of said State "A" A/c-2 Well No. 43 should be charged to the State "A" A/c-2 Well No. 56.

(6) That the proposed 320-acre non-standard gas proration unit is presumed to be productive of gas from the Jalmat Gas Pool.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the N/2 of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the State "A" A/c-2 Well No. 43, located in the SE/4 NE/4 of said Section 8.

PROVIDED HOWEVER, That the State "A" A/c-2 Well No. 37 located in the NE/4 SW/4 of said Section 8 shall be shut-in insofar as the Jalmat Gas Pool is concerned, that the production status of said State "A" A/c-2 Well No. 37 shall be charged equally to the State "A" A/c-2 Well No. 43 and the State "A" A/c-2 Well No. 56 located in the NW/4 SE/4 of said Section 8, and that 50 percent of the production status of said State "A" A/c-2 Well No. 43 shall be charged to the State "A" A/c-2 Well No. 56.

(2) That the acreage factor for allowable purposes assigned to the above-described 320-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

(3) That the effective date of this order shall be December 1, 1961.

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

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CASE No. 2428  
Order No. R-2122

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

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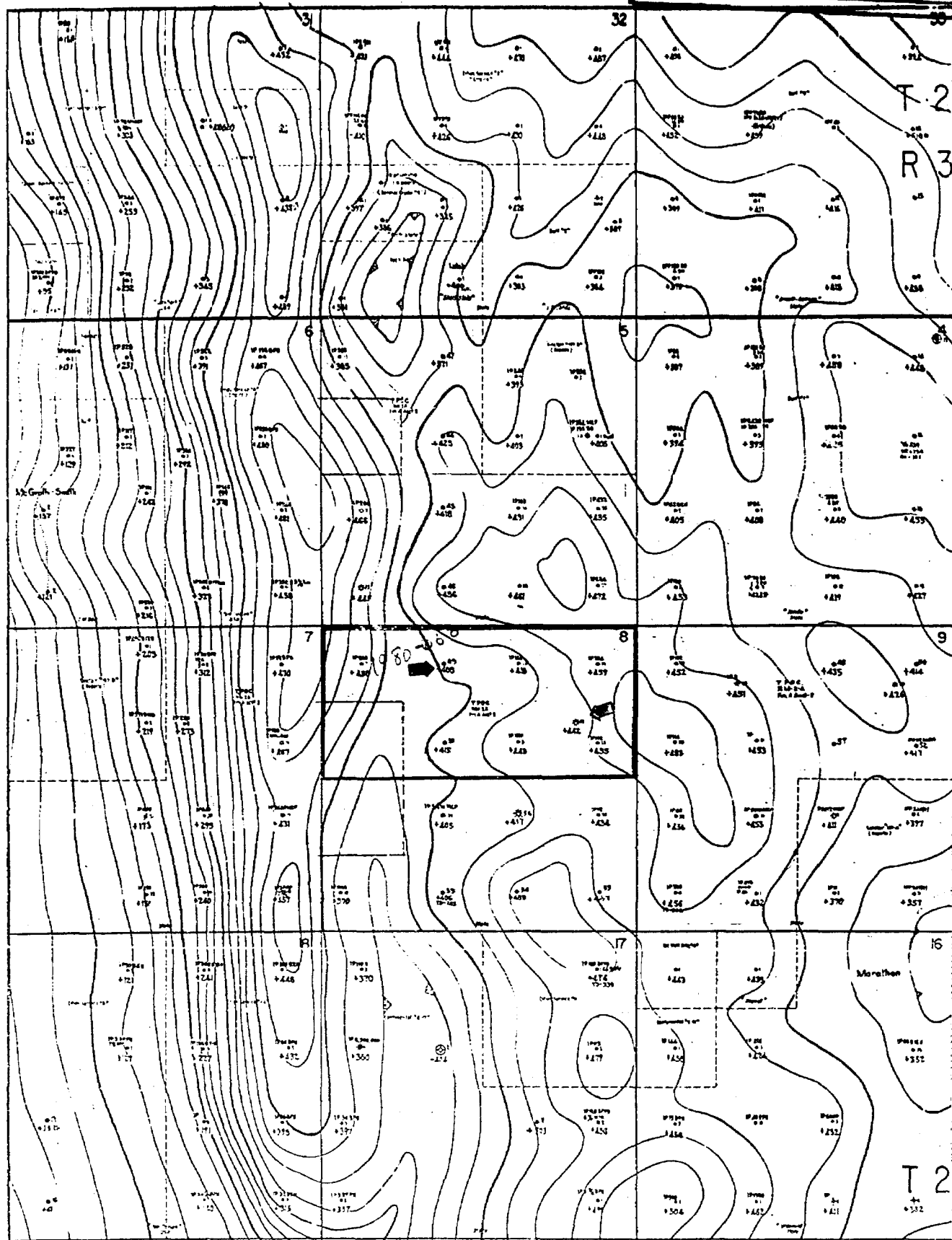
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TEXAS PACIFIC OIL COMPANY  
 State "A" A/c-2 Lease  
 T-22-S, R-36-E  
 Lea County, New Mexico

BEFORE EXAMINER UTZ  
 OIL CONSERVATION COMMISSION  
APPN EXHIBIT NO. 2  
 CASE NO. 3196



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