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

SE MO. 3196

TPP/ICATION,
TYANSCHIPTS,
SMA// 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. 49 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ACK M. CAMPBELL, Chairman

Han to B Hans

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

GOVERNOR JACK M. CAMPBELL CHAIRMAN

State of New Mexico

Bil Conservation Commission

LAND COMMISSIONER GUYTON B. HAYS MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 11, 1965

Re:	Case No	3196	
	Order No	R-2865	
	Applicant.		

Mr. John Russell Attorney at Law Post Office Drawer 640 Roswell, New Mexico

TEXAS PACIFIC OIL COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/
Carbon copy of order also sent to:
Hobbs OCC x
Artesia OCC
Aztec OCC
OTHER

Care 3/96 Heard 1-27-65 Rec. 1-27-65

1 Shout Zeran Pacific O'il Co. Jennisia.

to dedecate Their St. "A" A/c-2 # 43,1650/

N + 980/E line sec. 8 and their At "A" A/c-2#49

660/N N 1980/W lines same sec. to the

N/2 of said sec. 8.

Thurth M.

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 Elvás 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 Corpotation 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 Fool 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-scandard 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 simplificated 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 180-acre proportional factor for said pool of 4.77 rather than a factor of 2.77 as previously established by the Commission.

- 2 -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 Fools 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 torward 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 Sentions 10 and 11, Township 18 South, Range 28 East, Eddy County, New Mexico.

Jan & Blance

TEXAS PACIFIC OIL COMPANY

P. O. Box 1069 Hobbs, New Mexico

December 28, 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

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

January 4, 1965

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

DOCKET MAILED

Den ///3/10

Attention: Mr. John H. Hendrix

Re: Application for a 320-acre Mon-Standard Jalmat Gas Proration Unit Comprising the M/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 provation 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

		NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico January 27, 1965
	юм. м. м. 325-1182	EXAMINER HEARING
Inc.	FARRING	IN THE MATTER OF:
SERVICE,		APPLICATION OF TEXAS PACIFIC OIL COMPANY FOR A NON-STANDARD GAS PRORATION UNIT, LEA COUNTY, NEW MEXICO Case No. 3196
ARNLEY-MEIER REPORTING SERVICE,	SANTA PK, M. M. PHONE 963-3971	
EIER 1		BEFORE:
LEY-M		ELVIS A. UTZ
DEARN	ALBUQUEROUF, N. M. FHONE, 243-6691	TRANSCRIPT OF HEARING

BEFORE THE



1092 · PHONE 243-6691 · ALBUQUERQUE, NEW

120 SIMMS BLDG. . P. O. BOX

EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

dearnley-meier

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 if case? Proceed.

I. MORITZ, the witness, having JERRY been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

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

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

Are you familiar with the application in Case Number - 2001 ز

Yes, I am.

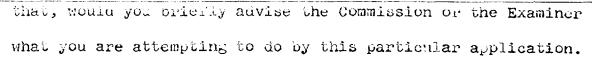
And did you prepare the exhibits which you are going to refer to in this case, or were they prepared under your direction?

 Λ Yes.

I refer you to Exhibit A -- well, perore we get to



DAILY COPY, CONVENTIONS ¥ ¥ ALBUQUERQUE, 1092 • PHONE 243-6691 ŏ 120 SIMMS BLDG. . P. O.



- By this application we are attempting to establish a non-standard 320-acre gas proration unit in the Jalmat Gas Pool.
- I refer you to Exhibit A and ask you to explain that exhibit.
- 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 quarterquarter 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.
 - Is this 320 acres presently dedicated to any well?
- Yes, it is presently dedicated to Well Number 43. Athibit b is a lease ownership plat which shows the proposed unit and the location of the subject mells. The Ti 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.
 - Which of the two wells in the 300 ceres presently



STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

dearniey-meier

1092 . PHONE 1120 SIMMS BLDG. . P. O. BOX dedicated to?

- Number 43, located in the southeast of the northeast.
- And what is the number of the well you propose to have it dedicated to also?
- We propose to add Well Mumber 49, which is in the northeast of the northwest, and also to Number 43.
- I refer you to what has been marked Exhibit C, and ask you what that is.
- Exhibit C is a copy of Order Number 2122, approved November 8, 1961, which authorizes dedication of this 320 acres to Well Number 43.
 - And approved the non-standard unit, did it not?
 - AYes.
- --Which is the same unit which is the subject matter of this hearing?
 - A Correct.
- To what well or wells do you now propose that this 320 acre unit be dedicated?
- We propose to dedicate the unit to Texas Facilie's State A Account 2 Woll Number 43 and Mumber 49.
- a And are you requesting that you be authorized to dedicate the entire 320 acres to each of these wells?
 - Ā Yes.
 - And you would have, I presume, one half of the

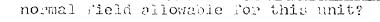


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EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

PHONE 243-6691

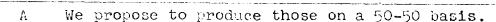
BOX 10°2



- Α Correct.
- And how do you propose to produce this allowable for these two wells?
- We propose to produce these two wells on a 50-50 Α proportion, as close as possible.
- In essence, your application is merely to add Well Θ Number 49 to the unit which is already dedicated to Well Number 43, which has been approved previously?
 - Correct. A
- Would you explain why you propose to add the second well.
- 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 3, that the structural position is not too important. Therefore to comply with Rule Humber 5 of Order H-1670, we choose a well on a 660-1980 location, which is Well Throbox ().
- C Let me to beek and again ask--what proportion of the proposed unit adjoins to do you propose to produce from each well?



120 SIMMS BLDG. . P. O. BOX 1092 .



- To the extent that it is possible to do so? C
- Yes.
- Has the Oil Conservation Commission previously authorized a unit with two wells dedicated to it, in the Jalmat Pool?

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

- Which is reflected on Exhibit A?
- Right.
- Do you have anything further you would like to offer in connection with this application?
 - 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 his west would be easily capable of producing the low-acre allowable, would it not? -- Mumber 43?

- Yes, sir, it cure would.
- And the same question in regard to Mumber 49.



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

Z

1092

• P. O. BOX



Yes.

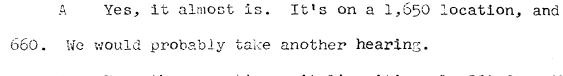
- What advantage is it to you to dedicate two wells to one unit, rather than one well to the 160 acres?
- Well, the only advantage as we see it is that at such time as one of the other wells would get down to a state of low production, we would have to come back at a later time and ask you again to re-dedicate this acreage in some manner.
- In other words, it's simply a proposition of one well being able to produce more than 50% of its share of the 320acre allowable at some time?
 - Α Yes.
- You propose a 50-50, or nearly so. Is it your proposal to put that in the form of an order?
- 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 maire-up well.
- Number 19 well is located so that 320 acres could be dedicated to it, is that true?
 - Right. 1
 - Mumber 13 is not--is that also true?

ALIZING IN: DEPOSITIONS, HEARINGS, STATE MENTS, EXPERT

learnley-meier

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

120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE.



- From the proration unit line it's only 990 from the
 east?
 - A Correct.
 - Whereas the standard rule is 1,980 from the east?
 - A Yes.
- 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. DURRETT: 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.
 - 6 And you don't desire any type of rentriction in the



SPECIALIZING IN: DEPOSITIONS, MEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY

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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 540 acres.
 - And you believe it?
 - A Yes.
 - MR. UTZ: Are there other questions? ... The witness



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

STATE OF NEW MEXICO)
) ss
CCUNTY OF BERNALILLO)

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 l6th day of February, 1965.

Notary Public

My commission expires May 23, 1968.

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TEXAS PACIFIC OIL COMPANY

P. O. Box 1069 Hobbs, New Mexico

December 28, 1964

DEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSIONS
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° 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.

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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,

Opportunity and 191 John H. Rechi.

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

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EXHIBIT "C"

OF THE STATE OF NEW MEXICO

BEFORE EXAMINER UTZ

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: OIL CONSERVATION COMMISSION

APPN EXHIBIT NO. _____
CASE NO. ____3/96

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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-2-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.

<u>PROVIDED HOWEVER</u>, 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-acro 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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-3-CASE No. 2428 Order No. R-2122

DONE at Santa Fo, New Mexico, on the day and year hereinabove 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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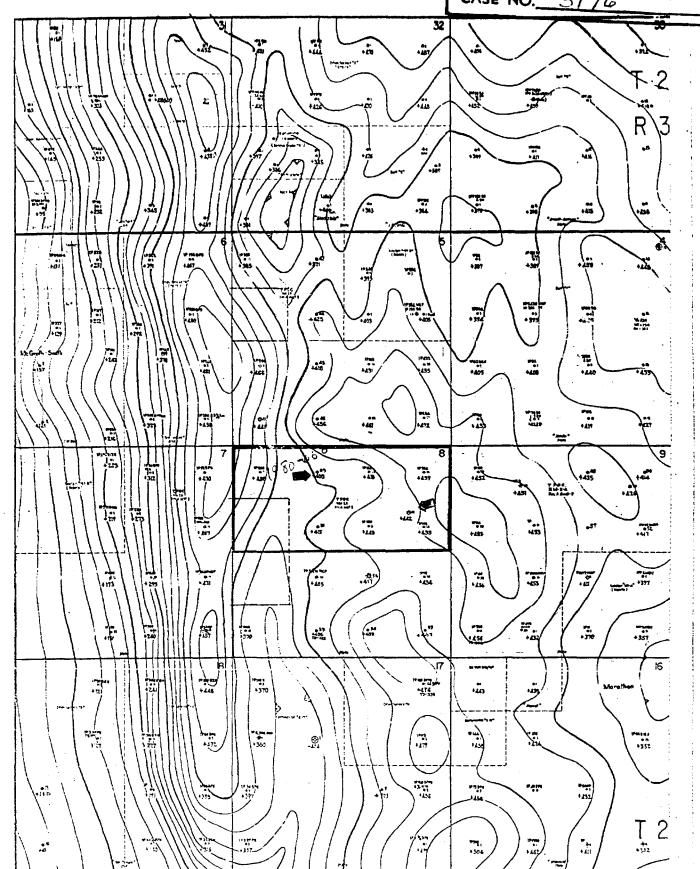
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TEXAS PACIFIC OIL COMPANY
State "A" A/c-2 Lease
T-22-S, R-36-E
Lea County, New Mexico

DEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
APPN EXHIBIT NO. D
CASE NO. 3196



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