

*Entered November 9 1966
C.S.P.*

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. 3481
Order No. R-3146

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT AND AN UNORTHODOX
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 2, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of November, 1966, 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 by Administrative Order NSP-241, dated March 8, 1956, the Commission established a 152.38-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to the Sinclair Oil & Gas Company State 157 "B" Well No. 2, located 1650 feet from the North line and 2310 feet from the West line of said Section 7.

(3) That the applicant, Sinclair Oil & Gas Company, now seeks the establishment of a 152.38-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to its State 157 "B" Well No. 1 located at an

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unorthodox location for said pool 330 feet from the North line and 2310 feet from the West line of said Section 7.

(4) That the applicant proposes to shut in its State 157 "B" Well No. 2 and dedicate the acreage approved by Administrative Order NSP-241 to its State 157 "B" Well No. 1.

(5) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the State 157 "B" Well No. 1.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That the subject application should be approved and should become effective the date a notice of disconnection is filed with the Commission for said State 157 "B" Well No. 2.

(8) That Administrative Order NSP-241 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, is hereby authorized to complete its State 157 "B" Well No. 1 at an unorthodox location in the Jalmat Gas Pool 330 feet from the North line and 2310 feet from the West line of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That a 152.38-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Sinclair Oil & Gas Company State 157 "B" Well No. 1.

(3) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 152.38 acres.

(4) That Administrative Order NSP-241 is hereby superseded.

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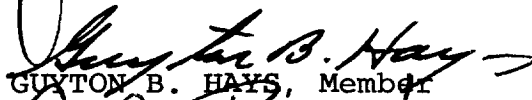
(5) That this order shall be effective the date a notice of disconnection is filed with the Commission for the Sinclair Oil & Gas Company State 157 "B" Well No. 2.


(6) 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, Chairman


GUYTON B. HAYS, Member


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

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