

*Entered September 9, 1968
A/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. 3837
Order No. R-3492

APPLICATION OF CONTINENTAL OIL COMPANY
FOR THE CONSOLIDATION OF THREE NON-
STANDARD GAS PRORATION UNITS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 1968, 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, Continental Oil Company, is the operator and co-owner of the Lynn B-1 Lease which, in addition to other lands, consists of Section 26, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the E/2 of said Section 26 is presently dedicated to the applicant's Lynn B-1 Well No. 1 located in Unit J of said section, that the NW/4 of said Section 26 is presently dedicated to the applicant's Lynn B-1 Well No. 3 located in Unit C of said section, and that the SW/4 of said Section 26 is presently dedicated to applicant's Lynn B-1 Well No. 4 located in Unit M of said section.

-2-

CASE No. 3837

Order No. R-3492

(4) That the applicant now seeks the consolidation of the three existing non-standard gas proration units to form one 640-acre standard gas proration unit comprising all of said Section 26 to be simultaneously dedicated to the aforesaid Lynn B-1 Wells Nos. 1, 3, and 4. In the alternative, the applicant seeks the consolidation of the two non-standard gas proration units comprising the E/2 and the SW/4 of said Section 26 into one 480-acre non-standard unit to be dedicated to the aforesaid Lynn B-1 Well No. 1.

(5) That the proposed standard gas proration unit can be efficiently and economically drained and developed by the Lynn B-1 Wells Nos. 1, 3, and 4.

(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, and will otherwise prevent waste and protect correlative rights.

(7) That Administrative Orders NSP-715, NSP-716, and NSP-717 should be superseded.

IT IS THEREFORE ORDERED:

(1) That effective October 1, 1968, a 640-acre standard gas proration unit in the Jalmat Gas Pool comprising all of Section 26, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Lynn B-1 Well No. 1, located in Unit J of said Section 26, the Continental Oil Company Lynn B-1 Well No. 3, located in Unit C of said Section 26, and the Lynn B-1 Well No. 4, located in Unit M of said Section 26.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 640 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; that the status of said consolidated unit shall be the combined status, as of October 1, 1968, of the three units being consolidated.

(3) That Administrative Orders NSP-715, NSP-716, and NSP-717 are hereby superseded.

-3-

CASE No. 3837

Order No. R-3492


(4) 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


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/