

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. 616
Order No. R-529

THE APPLICATION OF TEXAS PACIFIC
COAL AND OIL COMPANY FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 7 (a) OF ORDER NO.
R-368-A IN ESTABLISHMENT OF AN
UNORTHODOX GAS PRORATION UNIT OF 480
CONTIGUOUS ACRES CONSISTING OF THE
NW/4 AND S/2 OF SECTION 5, TOWNSHIP 22
SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN WHAT IS NOW DELINEATED AS
THE JALMAT GAS POOL UNDER THE PROVISIONS
OF ORDER R-520.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on December 17, 1953 and was successively continued to August 18, 1954, at which time it came on for final hearing at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 4th day of October, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, 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 pursuant to provisions of Rule 7 (a) of Order No. R-368-A, and Order R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Texas Pacific Coal and Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 22 South, RANGE 36 East, NMPM
NW/4 and S/2 of Section 5

containing 480 acres, more or less.

Entered 10-22-54
WBM

-2-

Order No. R-529

(4) That applicant, Texas Pacific Coal and Oil Company has a producing well on the aforesaid lease known as State A, a/c-2, No. 41, located 600 feet from the South line and 660 feet from the West line of Section 5, Township 22 South, Range 36 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located within the limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in Section 5 and that the owners of adjoining acreage in said section have not objected to the formation of the proposed proration unit of 480 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Texas Pacific Coal and Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 22 South, RANGE 36 East, NMPM
NW/4 and S/2 of Section 5

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, State A, a/c-2, No. 41, located in the SW/4 SW/4 of Section 5, Township 22 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 480 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

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

W. B. Macey
W. B. MACEY, Secretary and Member

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