

Entered March 11, 1957

A. L. 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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1206
Order No. R-956

APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER AUTHORIZING
A 600-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS
POOL; SAID UNIT TO BE DEDICATED
TO APPLICANT'S STATE McDONALD A/C
1 WELL NO. 25 IN THE SE/4 NE/4
OF SECTION 16 AND ITS STATE McDONALD
A/C # 1 WELL NO. 6 IN THE SE/4 SW/4
OF SECTION 16, BOTH IN TOWNSHIP 22
SOUTH, RANGE 36 EAST, NMPM, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 14, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 8th day of March, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced 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 case and the subject matter thereof.
2. That the applicant, The Ohio Oil Company, is the owner of the S/2, NE/4, E/2 NW/4 of Section 16, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and that Continental Oil Company is the owner of the SW/4 NW/4 of said Section 16.
3. That the Ohio Oil Company and Continental Oil Company have entered into a communitization agreement covering the gas rights in the Jalmat Gas Pool underlying the aforementioned acreage.
4. That the applicant is the owner and operator of the State-McDonald A/C #1 Well No. 25 located 1980 feet from the North line and 660 feet from the East line of said Section 16, and the State-McDonald A/C #1 Well No. 6, located 660 feet from the South line and 1980 feet from the West line of said Section 16.

5. That by Administrative Order NSP-84, dated January 30, 1955, the Commission authorized the formation of a 520-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2, NE/4, and SE/4 NW/4 of said Section 16 to be dedicated to both the aforementioned State-McDonald A/C #1 Well No. 6 and State McDonald A/C #1 Well No. 25.

6. That the applicant proposes to enlarge the presently authorized unit to include the SW/4 NW/4 and the NE/4 NW/4 of said Section 16.

7. That the creation of the proposed unit will not cause waste.

8. That, in order to protect the correlative rights of the persons owning the acreage offsetting the proposed unit, neither of the wells on the unit should be permitted to produce in excess of sixty percent (60%) of the allowable which a single well on such a unit would be permitted to produce during any given proration period.

IT IS THEREFORE ORDERED:

1. That the application of the Ohio Oil Company for approval of a 600-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 16: S/2, NE/4, S/2 NW/4, and NE/4 NW/4

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

2. That the aforesaid proration unit shall be dedicated to both the applicant's State-McDonald A/C #1 Well No. 25, located 1980 feet from the North line and 660 feet from the East line of said Section 16, and State-McDonald A/C #1 Well No. 6, located 660 feet from the South line and 1980 feet from the West line of said Section 16, and that the said wells be granted a joint allowable in the proportion that the acreage in the above-described unit bears to the acreage in a standard proration unit in the Jalmat Gas Pool in accordance with Rule 8 of the Special Rules and Regulations for said pool.


3. That the applicant shall endeavor to produce the aforementioned wells as near equally as possible, provided, however, that in no event shall either of the said wells be produced in excess of sixty percent (60%) of the allowable which a single well on a 600-acre proration unit in the Jalmat Gas Pool would be permitted to produce during any given proration period.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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