

RULE 3. Each well drilled within the Jalco Gas Pool shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to a quarter-quarter section or subdivision inner boundary nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.

RULE 4. The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 3 without Notice and Hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 1320 foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all operators within such radius have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection of any offset operators. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

RULE 5. The provision of Statewide Rule 104 Paragraph (k), shall not apply to the Jalco Gas Pool located in Lea County, New Mexico.

GAS PRORATION

RULE 6. The Commission after notice and hearing, shall consider the nominations of gas purchasers from the Jalco Gas Pool and other relevant data and shall fix the allowable production of the Jalco Gas Pool, and shall allocate production among the gas wells in the Jalco Gas Pool upon a reasonable basis with due regard to correlative rights.

PRORATION UNITS

RULE 7. (a) For the purpose of gas allocation in the Jalco Gas Pool, a standard proration unit shall consist of between 158 and 162 contiguous surface acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys; provided, however, that a gas proration unit other than a legal quarter section may be formed after notice and hearing by the Commission, except as outlined in Paragraph (b). Any allocation unit containing less than 158 acres or more than 162 acres shall be a non-standard unit and its allowable shall be decreased or increased to that proportion of the standard unit allowable that the number of acres contained therein bears to 160 acres. Any standard proration unit consisting of between 158 and 162 contiguous surface acres shall be considered as containing 160 acres for the purpose of gas allocation.

(b) The Secretary of the Commission shall have authority to grant an exception to Rule 7 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with;

1. The non-standard unit consists of less acreage than a standard proration unit.
2. The acreage assigned to the non-standard unit lies wholly within a legal quarter section and contains a well capable of producing gas into a gas transportation facility on the date of this order.
3. The operator receives written consent in the form of waivers from all operators in the adjoining 160 acre proration units.

GAS ALLOCATION

RULE 8 At least 30 days prior to the beginning of each gas proration period the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from the Jalco Gas Pool. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 9. Each month, the Commission shall cause to be submitted by each gas purchaser its "Supplemental Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration month from the Jalco Gas Pool. The Commission shall hold a public hearing between the 15th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month. Included in the monthly proration schedule shall be a tabulation of allowable and production for the second preceding month together with an adjusted allowable computation for the second preceding month. Said adjusted allowable shall be computed by comparing the actual allowable assigned with the actual production. In the event the allowable assigned is greater than the actual production, the allowables assigned the top allowable units shall be reduced proportionately, and in the event the allowable assigned is less than the production then the allowables assigned the top allowable units shall be increased proportionately. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

The Commission shall include in the proration schedule the gas wells in the Jalco Gas Pool delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule of the Jalco Gas Pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well. The total allowable to be allocated to the pool each month shall be equal to the sum of the supplemental nominations together with any adjustment which the Commission deems advisable. The allocation to a pool remaining after subtracting the capacities of marginal units shall be divided and allocated ratably among the non-marginal units in the proportion that the acreage contained in each unit bears to the total acreage allotted to such non-marginal units.

(4) That as a result of such hearing and in consideration of the testimony adduced Special Pool rules should be promulgated for the Jalco Gas Pool, heretofore established, described and classified as a gas pool. That the Special pool rules should approximate the general rules and regulations promulgated by Order R-356 insofar as the same are applicable to the Jalco Pool, and should conform, generally with the provisional special rules of Order R-368.

(5) That in order for the Commission to evaluate and delineate the actual productive limits of the Jalco Gas Pool all operators of oil and gas wells within the defined limits of the Jalco Gas Pool should supply certain Geological and Reservoir data to the Commission.

(6) That pending further study and orders, the allocation of gas in the Jalco gas pool should be calculated on the basis of 100 per cent acreage, based upon the standard 160 acre proration unit, which unit is limited to a regular quarter section subdivision of the U. S. Public Land Surveys and consisting of not less than 158 nor more than 162 acres, substantially in the form of a square, with provision for deviation therefrom particularly in cases of wells heretofore completed where the impracticability of unitization is apparent.

(7) That an adequate gas well testing procedure should be adopted as soon as possible so that operators, purchasers and the Commission can determine the fairness and feasibility of an allocation factor for the pool which employs the factors of deliverability, pressure, or any other factor relating to gas well productivity.

(8) That the area within the exterior boundaries of the Jalco Gas Pool known and described as the "Rhodes Storage Area" should be exempt from the Special Rules and Regulations applicable to the Jalco Gas pool provided acceptable reports of operations in said storage area are regularly filed,

IT IS THEREFORE ORDERED:

That Special Pool Rules applicable to the Jalco Gas Pool, be and the same hereby are promulgated and are as follows:

SPECIAL RULES AND REGULATIONS
FOR THE JALCO GAS POOL
LEA COUNTY, NEW MEXICO

WELL SPACING AND ACREAGE REQUIREMENTS FOR DRILLING TRACTS.

RULE 1. Any well drilled a distance of one mile or more from the outer boundary of the Jalco Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile from the outer boundary of the Jalco Gas Pool shall be spaced, drilled, operated and prorated in accordance with the Regulations in effect in the Jalco Gas Pool.

RULE 2. Each well drilled or recompleted within the Jalco Gas Pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 582
Order No. R-368-A

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION ON ITS
OWN MOTION FOR ALL OPERATORS
AND INTERESTED PARTIES IN THE
JALCO GAS POOL TO SHOW CAUSE
WHY THE RULES AND REGULATIONS
AS SET OUT IN ORDER R-356, WITH
ANY ESSENTIAL AMENDMENTS, SHOULD
NOT BE PUT INTO EFFECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a.m., on October 25, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this ~~10th~~ day of November, 1953, the Commission, a quorum being present, having considered the testimony adduced, the exhibits received, the statements of interested parties, the official records of the Commission and other pertinent data, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given, the Commission has jurisdiction of this cause.

(2) That the Commission, for the purpose of preventing waste and drainage, and for the protection of correlative rights, entered Order R-356, establishing certain general or "stand-by" rules and regulations relating to the proration of gas well gas, proration units, well spacing, and other related matters in the gas pools of Eddy, Lea, Chaves and Roosevelt Counties, New Mexico, applicable in all cases only after special rules for each gas pool shall have been promulgated.

(3) That thereafter, after due notice and hearing, Order R-368 was duly entered by the Commission. Order R-368 adopted the general or "Stand-by" rules promulgated by Order R-356 as the Special Rules and Regulations of the Jalco Gas Pool, heretofore established. R-368 was entered pending a further order in the premises, said order to be entered only after all interested parties were afforded the opportunity to be heard in the matter.

24

"McCollister"
Jay Anthony, et al (S)

Southwest Roy
to 4000
(Conoco, et al) WI
030167 "A" Bruno
McCollister

ECO
2004

33
25
Conoco, et al
030167B
Longhorn
Partners
to 3700'
Bruno
McCollister

U.S.
Jay Anthony, et al (S)

et, et al
2001
4948
787
Tutor - 36
Ft. Worth P.E.S.
(Exxon)
(Adobe)
B 934
Humble - ST
State, MI.
Jay Anthony, et al

Southwest Roy
"A"

to Seven Rvs. base
030168
(P/B) B
Eaves
U.S.
15 Conoco
Eaves

D.K. Boyd OEG(S)

Southwest Roy. to Seven Rvs. base
030168
2 "A" 13
T/A 11
Conoco)
Eaves
Scarborough

Southwest Roy to Sev. Rvs. base

2161
to 3474'
3
030168
T/A
P85
36
Conoco B-1
Eaves B-1
T/A
U.S.
D.K. Boyd OEG(S)

D.K. Boyd OEG(S)

4834
12
Conoco, et al
10, 030168
B-1
RBD-
Shelby
Agency
Conoco B-1
Eaves B-1
T/A
U.S.
D.K. Boyd OEG(S)
U.S. M.I.

UNIT
IGRUY PET.

(OPER.)

D.K. Boyd OEG(S)

U.S.
Mobility

Gruy
Pet
Texaco, et al
Burleson & Huff
Burleson, Huff
Dale Fed.
(R.L. Dale)

Wolfson
032604

29
Deffs Ltd.
to 3400'

Cit Serv.
Hanson
CSA Fed
Wolfson
Cit Serv. et al S/R
TO 3400
032604
U.S.
D.K. Boyd OEG(S)

D.K. Boyd OEG(S)

1-0
CD B W
Deffs Ltd
Cit. Serv.
Burleson
Hanson D.K. Boyd
032604
OEG(S)
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Fieldair
30
Shelby
Pudco St
D.

Gas Wells -- Scarborough Field

4/10/00

Page 1 of 1

Operator Name	Well/Lease Name	Well Number	Field Name	Location	Status	Oil Cum (bbls)	Gas Cum (mcf)
WOLFSON OIL CO	CASH FEDERAL	000001	SCARBOROUGH (YATES SEVEN RI	29E 26S 37E	P&A	28706	59273
HANSON OIL CORP	CSA FEDERAL	000001	SCARBOROUGH (YATES SEVEN RI	29L 26S 37E	P&A	21477	572
BURLESON LEWIS B INC	DALE FEDERAL	000001	SCARBOROUGH (YATES SEVEN RI	29A 26S 37E	INA	0	21434
MCCASLAND DALLAS	FEDERAL F	2	SCARBOROUGH (YATES SEVEN RI	29I 26S 37E	ACT	8639	102250
MCCASLAND DALLAS	FEDERAL F	3	SCARBOROUGH (YATES SEVEN RI	29O 26S 37E	ACT	16521	136690
MCCASLAND DALLAS	FEDERAL F	4	SCARBOROUGH (YATES SEVEN RI	29J 26S 37E	ACT	6727	54993
MCCASLAND DALLAS	FEDERAL F	5	SCARBOROUGH (YATES SEVEN RI	29P 26S 37E	ACT	12888	44100
ONEILL JOSEPH I JR	FEDERAL F	000001	SCARBOROUGH (YATES SEVEN RI	29O 26S 37E	P&A	2932	394157
GRUY PETROLEUM MGMT C PARKER A FEDERAL		1	SCARBOROUGH (YATES SEVEN RI	29D 26S 37E	ACT	25797	12224625
LONGHORN SERV & DRLG C PUBCO STATE		000001	SCARBOROUGH (YATES SEVEN RI	32H 26S 37E	P&A	16159	171994
LONGHORN SERV & DRLG C PUBCO STATE		000002	SCARBOROUGH (YATES SEVEN RI	32A 26S 37E	P&A	8492	275579
LONGHORN SERV & DRLG C PUBCO STATE		000003	SCARBOROUGH (YATES SEVEN RI	32G 26S 37E	P&A	7698	263109
BRININSTOOL W H	SHEARN STATE	1	SCARBOROUGH (YATES SEVEN RI	32G 26S 37E	INA	24163	45874
MCCASLAND DALLAS	STATE O	3	SCARBOROUGH (YATES SEVEN RI	32F 26S 37E	INA	305	782378
MCCASLAND DALLAS	STATE O	4	SCARBOROUGH (YATES SEVEN RI	32B 26S 37E	ACT	3694	695961
MCCASLAND DALLAS	STATE O	5	SCARBOROUGH (YATES SEVEN RI	32C 26S 37E	INA	4796	288515
MCCASLAND DALLAS	STATE O	6	SCARBOROUGH (YATES SEVEN RI	32D 26S 37E	INA	1408	150704
OXY U S A INC	STATE O	000002	SCARBOROUGH (YATES SEVEN RI	32B 26S 37E	P&A	5570	1994

③

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DUPLICATE

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NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2045
HOBBS, NEW MEXICO

DATE December 29, 1953

TO: El Paso Natural Gas Company

Box 1384, Jal, New Mexico

GENTLEMEN:

Form C-104 for your Parker 1 29-26-37 Jalco
LEASE WELL S.T.R. POOL

has been approved, however, since this well is:

- () An unorthodox location,
- (X) Located on an unorthodox proration unit,
- () Outside the boundaries of a designated pool,

it will be necessary for you to;

- () Comply with the provisions of Rule 4 of Commission Order _____
- (X) Comply with the provisions of Rule 7 of Commission Order R 368 A
- () File Form C-123

Pending further Commission action this unit will be assigned an 80 acre allowable.

Stanley J. Stanley

A. L. Porter, Jr.
Proration Manager

ALP/pb

cc/ Transporter El Paso Natural Gas Co.

DATE 3/31/ 1978

2

ADVICE ON WELLS TIED INTO GAS GATHERING SYSTEMS

Name of Producer Dallas McCasland (5911)

Well Name and Number State 0 #6

Location 330'N, 990'W, Sec. 32, T-26-S, R-37-E, Lea Co., NM

Pool Name Scarborough Yates - 7 Rivers

Producing Formation Yates

Top of Gas Pay 2981'

Oil or Gas Well Gas

Gas Unit Allocation 40 Acres NW 1/4 of NW 1/4

Date Tied Into Gathering Systems 3/16/78

Date of First Delivery 3/16/78

Gas Gathering System Lea County Low Pressure Gathering System

Processed through Gasoline Plant (yes or no) Yes

Station Number 61-931-01

Remarks: Site Code: 25016-3

This well produced thru meter #61-875-01

By Frank R. Elliott, Dispatching

DEPARTMENT OF THE INTERIOR

UNITED STATES

1960 NOV 52 PM 10:58

RECEIVED BY THE DEPARTMENT OF THE INTERIOR

HOBBES OFFICE 600

NEW MEXICO OIL CONSERVATION COMMISSION

P. O. BOX 2045

HOBBS, NEW MEXICO

DATE October 18, 1960

RE: GAS WELLS

TO:

J. I. O'Neill, Jr.

410 West Ohio

Midland, Texas

This is:

A New Gas Well (X)
An Oil Well Converted to Gas (
An Oil-Gas Dual (
A Gas-Gas Dual (
()

Gentlemen:

Form C-104 has been received on your Federal "F" #1-0 29-26-37

Lease Well No. Unit S-T-R

☐ But no allowable can be assigned this well until the following forms have been received:

Form C-104 _____
Form C-110 _____
Form C-128 _____
NSP Order _____
Notice of Connection _____
Deliverability Test _____

And a 160 acre allowable will be assigned in the Jalmat Pool under Order No: NSP-503.

Filed 8/10/59
Filed 9/18/60
Filed 9/20/60
Approved 9/14/59
Date of Connection 9/16/60
Filed 10/7/60

OIL CONSERVATION COMMISSION

Engineer, District 1

Original-Operator
cc-File

Original-OCC, Santa Fe
cc-File, Operator &
Transporter---*cc-let*

Form. J. I. O'Neill, Jr. UNIT 3

DATE 11/14 19 77

(4)

ADVICE ON WELLS TIED INTO GAS GATHERING SYSTEMS

Name of Producer Dallas McCasland (5911)

Well Name and Number State 0 #4

Location 990'N, 2310'E, Sec. 32, T-26-S, R-37-E, Lea Co., NM

Pool Name Scarborough Yates 7-Rivers

Producing Formation Yates

Top of Gas Pay 2972'

Oil or Gas Well Gas

Gas Unit Allocation 40 Acres

Date Tied Into Gathering Systems November 7, 1977

Date of First Delivery November 7, 1977

Gas Gathering System Lea County Low Pressure Gathering System

Processed through Gasoline Plant (yes or no) Yes

Station Number 64-057-01

Remarks Site Code - 24424-4

By: Branis R. Elliott Dispatching

CITIES SERVICE OIL COMPANY

DEC 23 AM 9:51

BOX 97

HOBBS, NEW MEXICO

5

December 24, 1958

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr.

Re: Change of Well Dedication—Non-Standard
Gas Proration Unit, Jalmat Gas Pool, Lea
County, New Mexico

Gentlemen:

Cities Service Oil Company was assigned a 153.12 acre non-standard gas proration unit by administrative order NSP-450 to consist of the NW/4 NE/4, N/2 NW/4, and Lot 3, Section 32, T-26-S, R-37-E. The unit was dedicated to the State "O" No. 2, located 660' FNL, 1980' FEL, Section 32. This well is a dual completion from Upper and Lower Yates allowed by DC-688.

The State "O" No. 3 was drilled for oil from the Lower Yates 1960' FNL and 1980' FEL, Section 32, T-26-S, R-37-E, but was unsuccessful because of high water production. The well was plugged back and the Upper Yates perforated. The Upper Yates produced gas with a calculated open flow of 2.5 MMCF per day.

It is requested that the non-standard gas proration unit now be dedicated to the State "O" No. 3 and that DC-688 for the State "O" No. 2 be cancelled. The State "O" No. 2 will remain as an oil well producing from the Lower Yates.

A plat of the area and schematic diagram are attached. Copies of this application have been sent to all offset operators.

Very truly yours,



E. F. Motter
Asst. Division Engineer

EFM/gk
Attachs.

DATE 11/14 19 77

6

ADVICE ON WELLS TIED INTO GAS GATHERING SYSTEMS

Name of Producer Dallas McCasland (5911)

Well Name and Number State 0 #5

Location 6 60'N, 1980'W, Sec. 32, T-26-S, R-37-E, Lea Co., NM

Pool Name Scarborough-Yates Seven Rivers

Producing Formation Yates

Top of Gas Pay 2970'

Oil or Gas Well Gas

Gas Unit Allocation 40 Acres

Date Tied Into Gathering Systems November 9, 1977

Date of First Delivery November 10, 1977

Gas Gathering System Lea County Low Pressure Gathering System

Processed through Gasoline Plant (yes or no) Yes

Station Number 64-058-01

Remarks: 24426 - Site Code

By: Arnell R. Elliott, Dispatching