

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

at  
Santa Fe, New Mexico  
December 17, 1953

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In the Matter of: )

Texas Pacific Coal & Oil Company's application )  
for approval of unorthodox gas proration unit; )  
480 acres, NW/4 and S/2 of 5-22S-36E, Jalco Gas )  
Pool, and for a triple allowable for said unit. )

Texas Pacific Coal & Oil Company's application )  
for approval of unorthodox gas proration unit )  
of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4 )  
Section 21 in Township 23 S, Range 36 E; for )  
extension of Jalco Pool to include S/2 NE/4 )  
20-23S-36E; and for approval of present location )  
of applicant's N. M. State 'A' a/c-1 Wells No. 3 )  
and No. 6 in SW NW and SE NW, respectively of )  
21-23S-36E. )

Case No.s

616

617

&

618

(Consolidated)

Texas Pacific Coal & Oil Company's application )  
for approval of unorthodox gas proration unit )  
of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4 )  
Section 21 in Township 23 South, Range 36 East; )  
for extension of Jalco Gas Pool to include N/2 )  
NE/4 20-23S-36E; and for approval of present )  
location of applicant's N. M. State 'A' a/c-1 )  
well No. 4, NE NW 21-23S-36E. )  
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(Notice of Publication read by Mr. Graham).

MR. CAMPBELL: Jack M. Campbell, Roswell, New Mexico. I  
would like to make a statement and ask that it be included in the  
record in each of these three cases, 616, 617 and 618. As the  
Commission knows, there is pending a re-hearing in the Jalco Gas  
Pool proration order R-358, and R-358-A. The applicant in that  
case is Texas Pacific Coal & Oil Company. The applicant in these  
three cases, 617, - - 616, 617 and 618 is also Texas Pacific Coal &

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Oil Company, and I am appearing for them in these three cases, although I am not appearing for them in Case 582. The applicant, Texas Pacific Coal & Oil Company, in compliance with Commission's directive, dated October 30, 1953, filed forms C-104 and C-110 for its wells in the Jalco Gas Pool. That was prior to the issuance of the Commission's order, and under compulsion of the Commission's directive. The application in these three cases, 16, 17 and 18 were filed prior to the request for re-hearing or the granting of the re-hearing in Case No. 528, involving the Jalco Gas Pool and were filed under compulsion of an order of the Commission then in effect. I am advised by the attorneys for Texas Pacific Coal & Oil Company, in Case 582, that they have taken the position and have filed a motion to the effect that gas proration order R-368-A is stayed and suspended pending the order of re-hearing. In other words, that the granting of the motion for the re-hearing by this Commission has the effect of suspending Rule R-358 until an order of re-hearing is issued.

MR. SPURRIER: 368?

MR. CAMPBELL: 368. If Order R-358 is sustained on re-hearing in subsequent appeal the Commission will be requested to consider these cases and make any allowable order retroactive to the first day of the proration period in accordance with the present rule. For these reasons I would like to request that the three cases be passed and continued on the docket until a future hearing.

MR. SPURRIER: Is there any objection to Mr. Campbell's motion?

MR. FOSTER: I understand that his motion is that he wants to make this order of proration of gas in the Jalco Pool retroactive

to the old date in the event he is unsuccessful from making the proration from going into effect in that pool?

MR. CAMPBELL: I may answer you, Judge Foster, if the order is sustained on re-hearing and any other subsequent judicial proceeding, I simply want to have the right to proceed under the order in the event it is sustained at a future date. That is the only comment I made there.

MR. FOSTER: I wanted to ask you about the retroactive allowable.

MR. CAMPBELL: If the Commission's order, as it is sustained, if we are entitled to it under the order and the order is sustained we are going to seek it, we are going to ask for it, because - -

MR. FOSTER: (Interrupting) You can just record our objections to that.

MR. CAMPBELL: The order as it stands now anybody who seeks an unorthodox proration unit after they have made an effort to communitize and that is subsequent to the date the proration goes into effect, the order, as I read it, authorizes the allowable to be granted to anyone retroactively to the first day of the proration period, provided they are granted an exemption to the normal proration unit. That is all I am asking.

MR. KELLEHIN: If the Commission/<sup>please, I am</sup>representing Continental Oil Company. . . . We have no objection to the motion for continuance, we do join with Phillips in objecting to a retroactive allowable in the event these cases are heard later.

MR. SPURRIER: Anyone else? The Commission will continue these cases 616, 617, 618, to the regular January hearing, which

is January 20th, I believe.

MR. SPURRIER: Mr. Campbell, can you advise the Commission how we can put Texas Pacific on the proration schedule in the meantime?

MR. CAMPBELL: I presume on the basis of filing 104-110 we will be placed on schedule the same as anybody else on the acreage we have in each quarter section. In other words, if the Commission takes the position that the order is in effect, of course we will file the necessary forms I suppose we will get to produce our wells. We think it is suspended, but the Commission does not agree with us.

MR. SPURRIER: We will take a recess until 1:30.

(Recess)

STATE OF NEW MEXICO     )  
  )  
COUNTY OF BERNALILLO    )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 616, 617 and 618 (Continued) before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on December 17, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 30<sup>th</sup> day of December, 1953.

  
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COURT REPORTER