

R-9445

OIL CONSERVATION DIVISION
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SANTA FE, NEW MEXICO 87504-2265

February 26, 1991

Mr. Michael E. Stogner
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: Application of Tahoe Energy, Inc.
for a Non-Standard Proration Unit,
Jalmat Gas Pool, Lea County,
New Mexico, NMOCD Case No. 10230
Hearing: February 7, 1991

Dear Mr. Stogner:

On behalf of Lewis B. Burleson, Inc., I wish to bring to your attention the fact that the referenced case now pending decision before you contains an error which requires that it be dismissed.

Tahoe Energy, Inc. is apparently under the mistaken impression that it obtained the gas rights in its farmout from Mobil for the W/2NE/4 of Section 22. In fact, Tahoe obtained only the rights to the oil and casinghead gas.

The Jalmat Gas rights for this acreage are held by Lewis B. Burleson, Inc. and are currently dedicated to its Mobil Well No. 1 in accordance with Division Order R-8254, copy enclosed, which is still in effect.

Very truly yours,

W. Thomas Kellahin

WTK/tic
Enclosure

cc: William F. Carr, Esq.
Lewis B. Burleson

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8924
Order No. R-8254

APPLICATION OF LEWIS B. BURLERSON, INC.
FOR A NON-STANDARD GAS PRORATION UNIT
AND UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION .

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of July, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Lewis B. Burlerson, Inc., as the operator, seeks approval of a 150-acre non-standard proration and spacing unit in the Jalmat Gas Pool comprising the E/2 NW/4, the HW/4 NE/4, the W/2 NE/4 NE/4 and the W/2 E/2 NE/ NE/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Mobil Well No. 1 located at an unorthodox gas well location 1980 feet from the North Line and 2180 feet from the West line of said Section 22.
- (3) The entire proposed 150-acre non-standard proration and spacing unit is productive of gas from the Jalmat Gas Pool and such unit can efficiently and economically be drained by the Mobil Well No. 1 located at the unorthodox location.
- (4) The unorthodox location results from recompletion of a well previously completed in another horizon.

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Case No. 8924
Order No. R-8254

(5) Proper notice was given to all offsetting operators and there was no opposition at the hearing to the granting of this application.

(6) The application in this cause should be approved in order to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Lewis B. Burluson, Inc. for a 150-acre non-standard proration and spacing unit in the Jalmat Gas Pool comprising the E/2 NW/4, the NW/4 NE/4, the W/2 NE/4 NE/4 and the W/2 E/2 NE/4 NE/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Mobil Well No. 1 located at an unorthodox gas well location 1980 feet from the North line and 2180 feet from the West line of said Section 22 is hereby approved.

(2) 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

JIM BACA, Member


ED KELLEY, Member


R. L. STAMETS,
Chairman and Secretary

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

*CASE NO. 10230
ORDER NO. R-9445*

**APPLICATION OF TAHOE ENERGY, INC.
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 7, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of February, 1991, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) At the time of the hearing, this case was consolidated with Division Case Nos. 10228 and 10229 for purposes of testimony.
- (3) The applicant, Tahoe Energy, Inc., seeks approval of an 80-acre non-standard gas spacing and proration unit comprising the W/2 NE/4 of Section 22, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, said unit to be dedicated to a well to be drilled at a standard gas well location thereon.
- (4) The subject acreage is located within the Jalmat Gas Pool and is therefore subject to the special rules and regulations for said pool as contained within Division Order No. R-8170, as amended, which require standard 640-acre gas spacing and proration units and designated well locations.

(5) The evidence presented indicates that the subject acreage, which has recently been acquired by the applicant, currently contains no producing wells in the Jalmat Gas Pool.

(6) Although a standard gas proration unit in the Jalmat Gas Pool consists of 640 acres, as described above, said pool has been historically developed with much smaller spacing units.

(7) The entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(8) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Tahoe Energy, Inc. is hereby approved for an 80-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the W/2 NE/4 of Section 22, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard gas well location thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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