

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. 835
Order No. R-619

THE APPLICATION OF THE COMMISSION
UPON ITS OWN MOTION, DIRECTED TO
R. OLSEN OIL COMPANY, FOR THE
RECONSIDERATION OF ADMINISTRATIVE
ORDER NSP-23 WHICH CREATED A NON-
STANDARD GAS PRORATION UNIT IN THE
JALMAT GAS POOL CONSISTING OF THE
NE/4, S/2 NW/4, AND NE/4 NW/4 OF
SECTION 11, TOWNSHIP 24 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 16, 1955, and March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20th. day of April, 1955, 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 the provisions of Rule 5 (a) of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, R. Olsen Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
NE/4, S/2 NW/4 and NE/4 NW/4 of Section 11

containing 280 acres, more or less.

(4) That applicant, R. Olsen Oil Company, has a producing gas well on the aforesaid lease, known as the Myers "B" Well No. 2, located 1980 feet from the north line and 660 feet from the east line of Section 11, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well is located and completed within the horizontal and vertical limits of the Jalmat Gas Pool.

(6) That Continental Oil Company, the owner of adjoining acreage which offsets the Myers "B" Well No. 2 to the east, has specifically protested and objected to the 280-acre proration unit, and

(7) That there is no showing made 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 in the Jalmat Gas Pool, or that such a unit is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That Administrative Order NSP-23 and the 280-acre non-standard gas proration unit which it created, consisting of the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
NE/4, S/2 NW/4 and NE/4 NW/4 of Section 11

be, and the same are hereby cancelled and rescinded, and

(2) That the said non-standard gas proration unit is reduced in size, in accordance with the provisions of Paragraph 3 of Rule 5 (a) of Order No. R-520, to contain the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
NE/4 of Section 11

containing 160 acres, more or less, and a proration unit consisting of the aforesaid acreage is hereby created effective March 1, 1955.

(3) That applicant's well, Myers "B" Well No. 2, located in the SE/4 NE/4 of Section 11, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 160-acre unit bears to the standard or orthodox proration unit for the Jalmat Gas Pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Signed by: John F. Simms, Chairman; E. S. Walker, Member; W. B. Macey, Member and Secretary.

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