

R. OLSEN OIL COMPANY

BOX 691

JAL, NEW MEXICO

October 18, 1954

MAIL OFFICE 000

RECEIVED OCT 20 1954

RE: Request for assignment of
160 acre Gas Proration Unit to
R. Olsen Oil Company's Cooper
#5, Jalmat Pool, Lea County,
New Mexico.

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

Gentlemen:

Under provisions of the New Mexico Oil Conservation Commission Order No. R-520, the R. Olsen Oil Company desires to dedicate 160 acres to its Cooper #5, Jalmat Pool, for gas proration purposes. Cooper #5 is located 1980' South of the North line and 660' West of East line of Section 14, T 24S, R 36E. The acreage to be dedicated to the subject well includes the S/2 of the NE/4 and includes the N/2 of the SE/4 of Sec. 14, T 24S, R 36E. Cooper #5 was completed as a Yates gas well on December 13, 1949 with 7" casing set at 2968'. The well is currently being produced on the basis of an 80 acre allowable.

The R. Olsen Oil Company warrants that the non-standard gas proration unit applied for consists of contiguous quarter-quarter sections lying wholly within a single governmental section and further warrants that the non-standard gas proration unit is productive of gas and that the length or width of the non-standard gas proration unit does not exceed 5280 feet.

The R. Olsen Oil Company has under lease all acreage in Sec. 14, T 24S, R 36E, except the S/2 of the NW/4 and the SW/4 of the subject section.

By copies of this letter all offset operators within Sec. 14, T 24S, R 36E and within 1500 feet of subject well are notified of the Company's request for a non-standard gas proration unit.

Yours very truly,

R. OLSEN OIL COMPANY



By: AARON CUMMINGS

AC:mp

cc: Page #2

New Mexico Oil Conservation Commission
Page No. 2

cc: New Mexico Oil Conservation Commission (C/2)
P. O. Box 871
Santa Fe, New Mexico

Humble Oil and Refining Company
Box 1600
Midland, Texas

Continental Oil Company
Box 427
Hobbs, New Mexico

Southern California Petroleum Corp.
Box 172
Midland, Texas

44

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

October 29, 1954

RECEIVED 11 PM 1:19

J. W. HOUSE

File: 6-1 New Mexico

Mr. William B. Macey, Secretary
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

Under date of October 18, 1954, R. Olsen Oil Company requested a 160-acre gas proration unit to their Cooper No. 5 and a 160-acre proration unit to their Cooper "B" No. 2, both in Section 14, T-24-S, R-36-E, in the Jalmat Pool, Lea County, New Mexico.

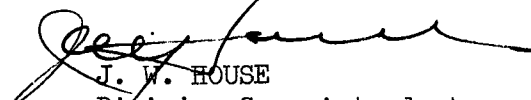
Your attention is directed to past development in this section resulting in oil wells. It is difficult for offset operators under these circumstances to be fully advised relative to the producing depth of oil wells. It is our feeling that under such circumstances the Commission needs to know the producing depth of both the oil wells and the gas wells on any lease prior to the establishment of a gas allowable on any gas proration unit.

In the October hearing at Hobbs, New Mexico, in Case 781, Humble recommended for consideration by the Commission the following policy:

"Where oil wells and gas wells are completed between the same vertical limits of a defined gas pool such as the Jalmat Pool, each oil well completed within the horizontal limits of a gas proration unit should be granted an allowable not to exceed the top unit allowable for an oil well in the pool which is produced with a gas-oil ratio less than 10,000 cubic feet per barrel and the total gas allowable for the gas proration unit should be the combined gas production of the gas produced incident to the production of all the oil wells and the dry gas from the gas well on the gas proration unit, that is the gas proration unit should not obtain a total gas allowable greater than that granted to the same sized gas proration unit in the same gas pool."

Yours very truly,

HUMBLE OIL & REFINING COMPANY


J. W. HOUSE
Division Superintendent

RSD/rs

cc: Mr. Aaron Cummings
R. Olsen Oil Company
Jal, New Mexico

(Street and number)

RECEIPT FOR REGISTERED ARTICLE NO. 2561

Fee paid 30

(Date) 12-18, 1954

Class postage paid 1

Declared value, \$ 1.00

Surcharge paid, \$ 0

Return receipt fee 0
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RECEIPT FOR REGISTERED ARTICLE NO. 255

Fee paid 30

(Date) 12-18, 1954

Class postage paid 1

Declared value, \$ 1.00

Surcharge paid, \$ 0

Return receipt fee 0
Special delivery fee 0

Restricted delivery
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(Post office and State)

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RECEIPT FOR REGISTERED ARTICLE NO. 256

Fee paid 30

(Date) 12-18, 1954

Class postage paid 1

Declared value, \$ 1.00

Surcharge paid, \$ 0

Return receipt fee 0
Special delivery fee 0

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