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Application, Transcript,
Small Exhibits, Etc.

### 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 CON-SIDERING:

> CASE NO. 618 Order No. R-536

THE AMENDED APPLICATION OF TEXAS PACIFIC COAL AND OIL COMPANY FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION PURSUANT TO RULE 7 (2) OF ORDER NO. R-368-A IN ESTABLISHMENT OF AN UNORTHODOX GAS PRORATION UNIT OF 120 CONTIGUOUS ACRES CONSISTING OF THE N/2 NW/4 OF SECTION 21 AND THE NE/4 NE/4 OF SECTION 20, TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY, NEW MEXICO IN WHAT IS NOW DELINEATED AS THE JALMAT GAS POOL UNDER THE PROVISIONS OF ORDER R-520.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 17, 1953, and was successively continued to August 18, 1954, at which time it came on for final hearing at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this / day of October, 1954 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 provisions of Rule 7 (a) of Order No. R-368-A, and Order R-520, the Commission has power and authority to permit the formation of a gas provation unit consisting of other than a legal quarter section after notice and hearing by the Commission.
- (3) That applicant, Texas Pacific Coal and Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

N/2 NW/4 of Section 21
NE/4 NE/4 of Section 20

containing 120 acres, more or less.

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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> CASE NO. 618 Order No. R-536

THE AMENDED APPLICATION OF TEXAS PACIFIC COAL AND OIL COMPANY FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION PURSUANT TO RULE 7 (a) OF ORDER NO. R-348-A IN ESTABLISHMENT OF AN UNORTHODOX GAS PRORATION UNIT OF 120 CONTIGUOUS ACRES CONSISTING OF THE N/2 NW/4 OF SECTION 21 AND THE NE/4 NE/4 OF SECTION 20, TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY, NEW MEXICO IN WHAT IS NOW DELINEATED AS THE JALMAT GAS POOL UNDER THE PROVISIONS OF ORDER R-520.

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NOW, on this #day of October, 1954 the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

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- (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 provisions of Rule 7 (a) of Order No. R-368-A, and Order R-520, the Commission has power and authority to permit the formation of a gas provation unit consisting of other than a legal quarter section after notice and hearing by the Commission.
- (3) That applicant, Texas Pacific Coal and Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

Township 23 South, Range 36 East, NMPM
N/2 NW/4 of Section 21
NE/4 NE/4 of Section 20

containing 120 acres, more or less.

- (4) (a) That applicant, Texas Pacific Coal and Oil Company has a producing well on the aforesaid lease known as State A, A/c-1, No. 4, located in the NE/4 NW/4 of Section 21, Township 23 South, Range 36 East.
- (b) That the Jalmat Gas Pool should be extended to include the E/2 NE/4 of Section 20, Township 23 South, Range 36 East.
- (5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located within the limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.
- (6) That it is impractical to pool applicant's said lease with adjoining acreage in Sections 20 and 21 and that the owners of adjoining acreage in said sections have not objected to the formation of the proposed proration unit of 120 acres.
- (7) That unless a provation unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.
- (8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

#### IT IS THEREFORE ORDERED:

(1) That the application of Texas Pacific Coal and Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

# Township 23 South, Range 36 East, NMPM N/2 NW/4 of Section 21 NE/4 NE/4 of Section 20

be and the same is hereby approved, and a preration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, State A, a/c-1, No. 4, located in the NE/4 NW/4 of Section 21. Township 23 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954, in the proportion that the above described 120-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. D. MACEY, Member and Secretary

#### OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 25, 1954

Mr. Jack Campbell, Attorney 224 J. P. White Building ROSWELL N M

Dear Sire

On behalf of your client, Texas Pacific Coal and Oil Company, we enclose copies of Orders R-535 and R-536 issued on October 14, 1954, in Cases 617 and 618, respectively.

Very truly yours,

W. B. Macey Secretary - Director

Encl.

WBMenr



Dec 17 1953 Hearing - CROSS FILE: RE CASES 613 - 626, incl.

In File Case 613, note Shell Oil Company statement which was to be applied to Cases 613 - 626, incl.

REPORT ON DEEPENING WELL report on result of plugging of well Notice of intention to do the work was (see not) submitted on Form C-102 on. and approval of the proposed plan, was (was not) obtained. (Cross out incorrect words.) DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

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Splines the capacit in triplicate to the 196 General Commission District Office within the Commission District Office within the Commission District Office within the Commission of casing shut off, result of plugging of well, and other important operations, even though the commission. See additional instructions in the Rules and Regulations of the Commission.

#### Indicate nature of report by checking below.

REPORT ON BEGINNING DRILLING OPERATIONS	REPORT ON REPAIRING WELL	;
REPORT ON RESULT OF SHOOTING OR CHEMICAL TREATMENT OF WELL	REPORT ON PULLING OR OTNERWISE ALTERING CASING	
REPORT ON RESULT OF TEST OF CASING SHUT-OFF	REPORT ON DEEPENING WELL	
REPORT ON RESULT OF PLUGGING OF WELL	Topporarilly abaseds	T.

February 15, 1952 Hebbs, New Mexico

Following is a report on the work done and the results obtained under the heading noted above at the Texas Pacific

Coal & Oil Company N.H. State "A" A/c-1 Well No. 5 in the Company or Operator

NEI/A of Sec. 20 T. 235 R. 365 N.M.P.M.

Cooper-Jal Pool 166

The dates of this work were as follows: Jan. 22, 1952 - Jan. 22, 1952

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Spotted neat ecment through tubing. Plugged back to 3408'. Plug checked with Halliburton Line.

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NOTICE OF INTENTION TO THANGE PLANS

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OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico.

Gentlemen:

Following is a notice of intention to do certain work as described below at the Taxas Pacific Coal Coll

Generally of Operator

Lease

of Sec. 20 T. 255 R. 265 N. M. P. M. Cooperadal

FULL DETAILS OF PROPOSED PLAN OF WORK

FULL DETAILS OF PROPOSED PLAN OF WORK

FOLLOW INSTRUCTIONS IN THE BULES AND REGULATIONS OF THE COMMISSION

It is proposed to second the present perferation is; 344?' to 3563' and leave the well shut in with a master gate on the easing.

JAN 23 1952

By Paul 155

and the second

NOTICE OF INTENTION TO REPAIR WELL NOTICE OF INTENTION TO DEEPEN WELL Perferate à lipirafra OIL CONSERVATION COMMISSION, FULL DETAILS OF PROPOSED PLAN OF WORK FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS OF THE COMMISSION It is proposed to perforate the lates section from 3563-3540; 3470-3447 (the remainder is now perfereted) and hydrafree if necessary to betain gas production. 8 1952

#### METALE AND NEW MEDALETA DATA OF WICH AS

Reports should be made within ten days of completing the work indicated and should be submitted in duplicate.

Indicate nature of report by checking.

Notice of intention to change plans  Notice of date for test of water shut-off  Report on result of test of water shut-off  Notice of intention to shoot	Notice of intention to pull or otherwise alter centing		
Mr. Rd. Halley  State Geologist  10-13-30 Santa Fe, New Mexico.	Carlebed, N. Mex.		
Following is a report giving the results of work  Well No. in Oil Field	of Sec. 20 T. 23-3 R. 36-2 ,		

#### DETAILS

State names of and expected depths to objective sands or producing horizon; show sizes, weights, and lengths of casing run or proposed; indicating mudding jobs, cementing points, water horizon, number of days operated, and total depth at end of month, and other important information.

Wends 3460 to 3487 3502 to 3523 3549 to 3565 3567 to 3572 3682 to 3689

#### MALE OF THE PRINCE

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#### MISCELLANEOUS REPORTS ON WELLS

Reports should be made within ten days of completing the work indicated and should be submitted in duplicate.

Indicate nature of report by checking.

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Notice of intention to a	drill or repair well			
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Mr. Sa. Mai				
	State Geologist		N. Mex.	Variable.
	Santa Fe, New Mexic	co.		
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N.M.P.M.,	Oil Field			County.
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# BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO at Santa Fo, New Mexico December 17, 1953

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 NV/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 SV NV and SE NV, respectively of 21-23S-36E.

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.

Case No.s
616
617
&
618
(Consolidated)

(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 &

ADA DEARNLEY & ASSOCIATES

COURT REPORTERS

ROOM 105-106. EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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. 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 attornies 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 peel?

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: POCTER: I wanted to ask you about the retreactive 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/representing Continental
Oil Company. . . . We have no objection to the motion for continuance,
we do join with Phillips in objecting to a retreactive 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

ADA DEARNLEY & ASSOCIATES

COURT REPORTERS

ROOM 105-105. EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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 911 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 3th day of Searcher

COURT REPORTER 1953.

ADA DEARNLEY & ASSOCIATES COURT REPORTERS .
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9545
ALBUQUERQUE, NEW MEXICO

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF TEXAS PACIFIC COAL & OIL COMPANY FOR AN UNORTHODOX GAS PRORATION UNIT CONSISTING OF THE NINE! OF SECTION 20 AND NINW! OF SECTION 21, TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Case No. 6/8

COMES NOW Texas Pacific Coal & Oil Company, Appliacent, and states to the Commission:

- 1. It is the owner of oil and gas leases covering the NaNE of Section 20 and the NaNW of Section 21, Township 23 South, Range 36 East, Lea County, New Mexico.
- 2. There is a producing gas well situated in the NET of Section 21, in said Township and Range.
- 3. All of the N2NE2 of Section 20 and the N2NW2 of Section 21 in said Township and Range is productive of gas.
- 4. Applicant has complied with Rule 12 of Order No. R=368-A of this Commission.
- 5. The creation of a 160 acre gas provation unit consisting of the N½NE½ of Section 20 and the N½NW½ of Section 21, Township 23 South, Range 36 East, is necessary to protect the correlative rights of the Applicant and to avoid the drilling of unnecessary wells.
- 6. A plat showing the location of the proposed promation unit and the gas well located thereon is attached hereto as "Exhibit A".

WHEREFORE, Applicant respectfully prays for an order of this Commission as follows:

1. Extending the limits of the Jalco gas pool to such extent as may be necessary in order to include therein the

NINE; of Section 20, Township 23 South, Range 36 East.

- 2. Creating a gas proration unit consisting of the  $N_2$ NE2 of Section 20 and the  $N_2$ NW2 of Section 21 in Township 23 South, Range 36 East and grant thereto a 160 acre proration unit allowable.
- 3. Approving the present location of Applicants N.M. State "A" a/c=1, No. 4 well in the NEINW of Section 21, Township 23 South, Range 36 East as an unorthodox gas well location.

Texas Pacific Coal & Oil Company

Jack Campbell, its attorney

#### NEW MEXICO

Gas Well Plat

# OIL CONSERVATION COMMISSION

		Date November 13		
Texas Pacific C	The state of the s	<u> M. State</u> Lease	"A" <u>a/c-l</u>	Well No.
Name of Produ	cing Formation	Yates	Pool_	Jalco
	and to the Wall	160		

ECTION _	Noted	TOWNSHI	P23_S	RANGE36 <u>-E</u>
	Section 2	<u> </u>	Section	on 21 ※4
				a transfer
		P&A		
		7		
•	-			
	-			*

I hereby certify that the inform	nation given above is true and complete
to the best of my knowledge.	Name Froduction Foreman
	Position Production Foreman
	Representing Texas Pacific Coal & Oil. Co
	Address Box 1688, Hobbs, New Mox1co

EXHIBIT "A"

(over)

INSTRUCTIONS

•A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area.

Mail in duplicate to the district office for the district in which the well is located.  $\sim$