

Casa Mo.

1652

Application, Transcript,
5 mall Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

THE THE MATTER OF

CASE 1652

TRANSCRIPT OF HEARING

MAY 6. 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALGUGUERQUY NEW MEXICO
Phone Chapel 3-6691

JOHN A. QUEEN,

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

- Q Mr. Queen, will you state your name?
- A John A. Queen.
- Q Are you the same Mr. Queen who testified in Case 1651?
- A I am.
- Q Mr. Queen, are you familiar with the application in Case 1652?
 - a I am.
 - Q Briefly, what does that propose?
- This is an application of Continental Oil Company for the approval of a 320-acre non-standard gas proration unit, consisting of the N/2 of Section 8, Township 23 South, Range 36 East, in lieu of the presently approved 160-acre unit, consisting of the lieu of the presently approved 160-acre unit, consisting of the lieu of the presently approved 160-acre unit, consisting of the lieu of said Section 8, for assignment to its Danciger A-8 Well No. 3.

(Whereupon, Continental's Exhibits 1 through 5 were marked for identification).

- Referring to what has been marked as Exhibit No. 1, will you state what that shows?
- A Exhibit No. 1 is a location and ownership plat, showing the proposed unit and immediate surrounding are. Danciger

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A-8 lease is shown on -- consists of Section 8, Township 33
South, Range 36 East. Danciger A-8 No. 3 Well is shown circled in red. The proposed gas proration unit is outlined in red, and consists of the N/2 of Section 8. The presently approved unit the NE/4 of Section 8, and other approved units on surrounding leases are shown outlined in green. The wells to which the surrounding wells are allocated are circled in green.

- Q Now, the wells circled in green are all producing from the Jalmat Pool?
 - A That is correct.
- Now, referring to what has been marked as Exhibit
 No. 2, will you state what that shows?

was drilled at a location designed to take advantage of the increased net pay without excessive crowding of curseasterneheighber.

Q Referring to Exhibit No. 2, the one you have just discussed, is there anything on that Exhibit which would indicate to you that the entire area proposed to be dedicated to the Danciger

A-8 Well is productive?

A There are two wells lying in Section 17 that would indicate this; one, the TP and C's State 39, located in the SE/4 of Section 17, is gas productive at an interval of minus twenty feet. The other well, the Sinclair Federal No. 3 located in the SW/4 of Section 17, and circled in green on Exhibit 2, is productive of gas at an interval — at a structural interval that does not even touch the Danciger A-8 lease. This indicates to us that this area is productive of gas.

- Q Now, referring to what has been marked as Exhibit No. 3, will you state what that is?
- on the Danciger A-8 No. 3. The top of the Yates formation, perferated intervals, and the completion information are shown.
- Q Now, referring to what has been marked as Exhibit No. 4, will you discuss that Exhibit?
- the Danciger A-8 lease in an east-west direction drawn through the Danciger A-8 No. 3. by horizontal extension of the elevation of the lowest perforation and assuming this to be the lowest limit of the gas productivity and by extending the top perforation in a line parallel to the top of the Yates formation as depicted on Exhibit 2. The gas productive zone is illustrated by the cross-hatched area. As shown on Exhibit 4, the entire Danciger A-8 lease is reasonably productive of gas in the Yat's formation.

DEARNLEY - MEIER & ASSOCIATES GENERAL LAW REPORTERS ALBUQUERQUE. NEW MEXICO Phone CHapel 3-6691 On Exhibit 4, the western boundary of the Danciger A-8 lease is depicted by the western heavy line on Exhibit 4. The eastern edge of the lease is also depicted by the right-hand heavy line. As can be seen by this Exhibit, a well drilled toward the eastern boundary is much better located to recover the reserves under the lease. One additional thing I would like to add, is that this cross section was cut into ten equal segments and pre-assembled. A well drilled to the exact center of this area would have been located 1320 feet from the East, and 1320 feet from the North of the Danciger A-8 lease.

- Q Now, referring to what has been marked Exhibit 5, will you state what that is?
- A Exhibit No. 5 is a copy of the latest C 122-6 on the well showing the deliverability at 80 percent shut-in pressure

It is believed that this well is capable of producing the increased allowable without any difficulty.

- In summary, in your opinion, is the NW/4 of Section 8 gas productive?
 - A In my opinion, it is gas productive.
- Q And is the Danciger A-8 Well No. 3 capable of producing the gas from that unit?
 - A It is.
- Q Were Exhibits 1 through 4 inclusive prepared by you
 1 through 5 prepared by you or under your direction and supervision?

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Phone Chapel 3-6691

They were.

MR. KELLAHIN: At this time we would like to offer Exhibits 1 through 5 inclusive.

MR. UTZ: Without objection, Exhibits 1 through 5 will

(Whereupon, Continental's Exbe accepted. hibits 1 through 5 were received in evidence.)

MR. KELLAHIN: That's all the questions I have, Mr.

Utz.

3

CROSS EXAMINATION

BY MR. UZZ:

Mr. Queen, your statement as to whether or not this well will produce its allowable, what allowables did you use as a as to whether or not the well will produce semparison to make

February and March. They, as I recall, averaged about its gas allowable? 100 MCF per day, and, as you can see, to t is approximately onefourth of what the well is capable of producing.

- Q Your line pressures are about what in this area?
- I believe the line pressures are within the vicinity of the pressure tested here, 350 pounds.

MR. UTZ: Are there any other questions of the wit-

QUESTIONS BY MR. PAYME:

Mr. Queen, is the NW/4 of Section 8 presently desig-

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neted to any Jalmat oil?

- Wo, it is not.
- Now, is the 5/2 of Section 8, that 320 acres, is that dedicated to the Danciger "E" No. 2?
 - Yes, sir, it is.
- Is that No. 2 capable of producing a 320-acre allow-
- I made a note of those figures, and I believe that is able? a non-marginal well. However, I am not able to put my hands on that figure at the present time.
 - Q All right, sir. Are there any Jalmat oil wells in tils immediate area?
 - I believe the Continental "A" Farnie 1 and 2 are Jalmat oil wells.
 - And those are located where?
 - A In the NW/4 of Section 17, but that should be con-
 - Now, is this location of your Danciger No. 3, is that firmed. unorthodox for a Jalmat gas well?
 - Not for 160. It would be for 320.
 - Have you gotten any approval for that unorthodex le-
 - It would be my understanding: However, I am very new cation? to the State of New Mexico; that this hearing, if so granted, would becomproved to the tale at ocation.

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- Q That is a question that has never been resolved, to my knowledge, whether granting of a non-standard unit approves the non-standard location of a well. I doubt that it does. What is this location again, Mr. Lucun?
 - A 990 from the North and 990 from the East.

MR. PAYNE: I believe that's all.

MR. UTZ: Any other questions of the witness?

I would like to make one other statement in regard to your question about the Jalmat Oil case. In the Jalmat Oil case we have counted up to, I believe, I do not recall the number, but a large number of wells, I believe, over a hundred that are Jalmat oil wells, and they are over the entire area.

MR. PAYNE: This area here is on the western boundary of the pool, is. It it?

A That is correct, sir.

MR. UTZ: The witness may be excused.

(Witness excused)

MR. UTZ: Are there any other statements to be made in this case? If not, we will take the case under advisement.

DEARNI EY - MEIER & ASSOCIATES
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Phone Chapel 3-6691

STATE OF NEW MEXICO) as COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico going and attached Transcript of Proceedings before the New Mexico oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a reduced to typewritten transcript by me, and that the same is a reduced to record to the best of my knowledge, skill and ability.

W MESS my Hand and Seal this, the day of my, day of Mess in the City of Albuquerque, County of Bernalillo, State of Mew Mexico.

Jaseph a. Linger NOTARY PUBLIC

My Commission Expires: October 5, 1960

New Maxica Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES

GENERAL LAW REPORTERS

ALBUQUERQUE, NEW MEXICO

Phone Chapel 3-6691

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

	Date	5-6-59	- ·
CASE NO. 1652	HEARING DATE		
My recommendations for an or as follows:	der in the above num	bered case(k) are	
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Staff Member

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN EXCEPTION TO RULE 5(a) OF THE SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL CONTAINED IN ORDER NO. R-520 IN ESTABLISHMENT OF A MON-STANDARD GAS PRORATION UNIT OF 320 ACRES CONSISTING OF THE N/2 OF SECTION 8, T-23S, R-36E, NMPM. LEA COUNTY, NEW MEXICO, TO BE ALLOCATED TO ITS DANCIGER A-8 WELL NO. 3.

APPLICATION

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving the enlargement of the 160-acre non-standard gas proration unit consisting of the NE/4 of Section 8, T23S, R36E, NMPM, Lea County, New Mexico, to a 320-acre non-standard gas proration unit to consist of the N/2 of said Section 8. The acreage is to be allocated to its Danciger A-8 No. 3 well located 990 feet from the North and East lines of said section and in support thereof would show:

- 1. That applicant is co-owner and operator of the Danciger A-8 Lease consisting of Section 8, T-23S, R-36E, NMPM, Lea County, New Mexico.
- 2. That applicant drilled the Danciger A-8 No. 3 at a location 990 feet from the North and East lines of said Section 8 and completed it March 5, 1958, as a gas well in the Jalmat Pool.
- 3. That said well was assigned a 160-acre gas proration unit consisting of NE/4 of said Section 8 by order No. NSP 436 and is currently producing its allowable.
- 4. That the NW/4 of Section 8 is not allocated to any gas well and that said acreage may reasonably be presumed to be productive of gas from the Jalmat Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.
- 5. That the most practical and economical method of allocating said acreage for Jahret Pool gas production is to establish a 320-acre non-standard gas proration unit, as described above, for assignment to the Danciger A-8 well No. 3.

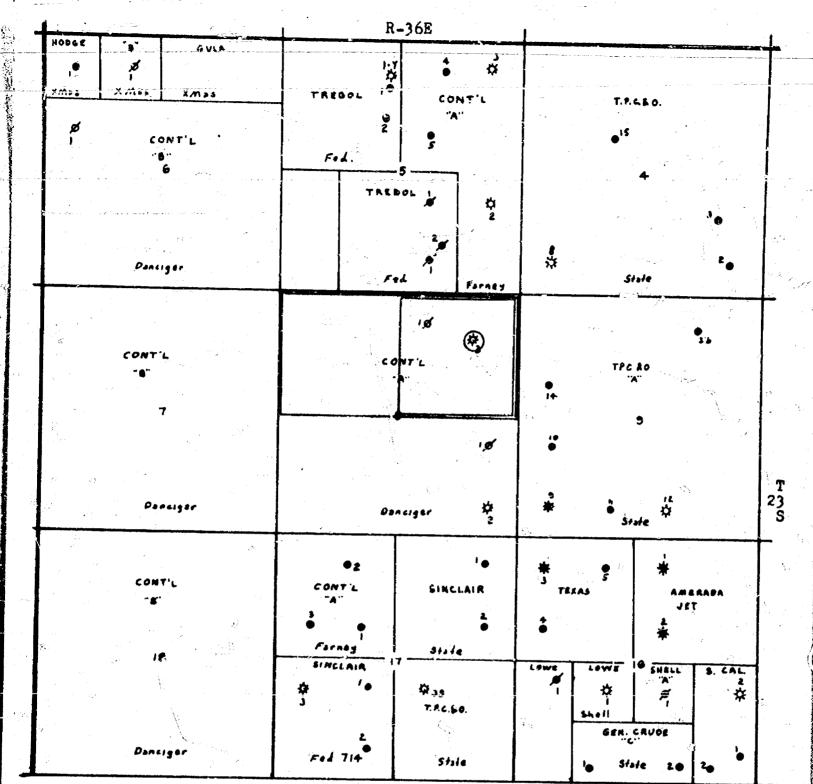
Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given, and that upon hearing an order be entered granting applicant an exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat gas pool contained in order No. R. 520 for the non-standard gas proration unit described above.

Respectfully submitted, CONTINENTAL OIL COMPANY

Division Superintendent

of Production New Mexico Division

RLA-BR



LOCATION AND OWNERSHIP PLAT CONTINENTAL OIL COMPANY

Danciger A-8 Lease

Jalmat Pool-Lea County, New Mexico

Scale 1" = 2000'

Danciger A-8 No. 3 O

Jalmat Gas Well

Approved Proration Unit

- Proposed Proration Unit



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

April 8, 1959

White Hearth

New Mexico Oil Conservation Commission Box 871 Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Application of Continental
Oil Company for an Exception
to Rule 5(a) of the Special
Rules and Regulations for the
Jalmat Gas Pool Contained in
Order No. R-520 in Establishment of a Non-Standard Gas
Proration Unit of 320 Acres
Consisting of the N/2 of Section 8, T-23S, R-36E, NMPM,
Lea County, New Mexico to be
Allocated to its Danciger A-8
Well No. 3.

Gentlemen:

Please find attached three copies of Continental Oil Company's application for an exception to Rule 5(a) of the Special Rules and Regulations for the Jalmat Gas Pool contained in Order No. R-520 for the enlargement of the 160-acre non-standard gas proration unit consisting of the NE/4 Section 8, T-23S, R-36E, NMPM, Lea County, New Mexico, to a 320-acre non-standard gas proration unit to consist of the N/2 of said Section 8. The acreage is to be allocated to its Danciger A-8 No.3 well.

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New Mexico Oil Conservation Commissior Page 2

We respectfully request that this matter be set for hearing at the earliest convenient date.

Yours very truly,

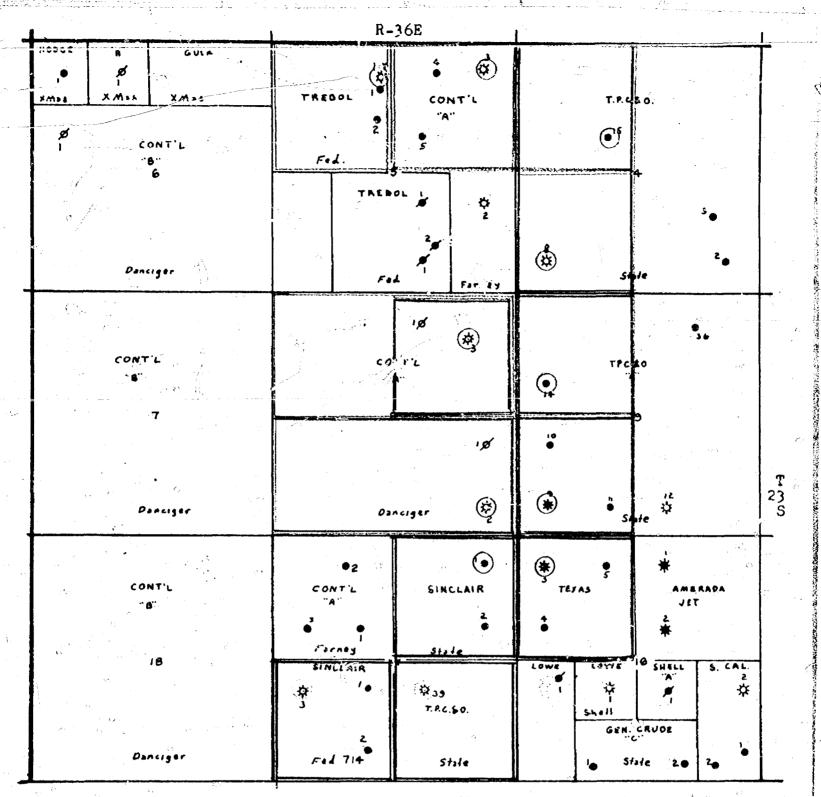
RLA-BR Enc

NEW MEXICO OIL CONSERVATION COMMISSION One-point Back Pressure Test for las Wells (Deliverability)

Form C-122-C

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This well began leading up with fluid just prior to recording flow data. Permission is requested to retest at rate safficient to keep well unleaded.



CONTINENTAL OIL COMPANY LOCATION AND OWNERSHIP PLAT

Danciger A-8 Lease

Jalmat Pool-Lea County, New Mexico

Scale 1" = 2000'

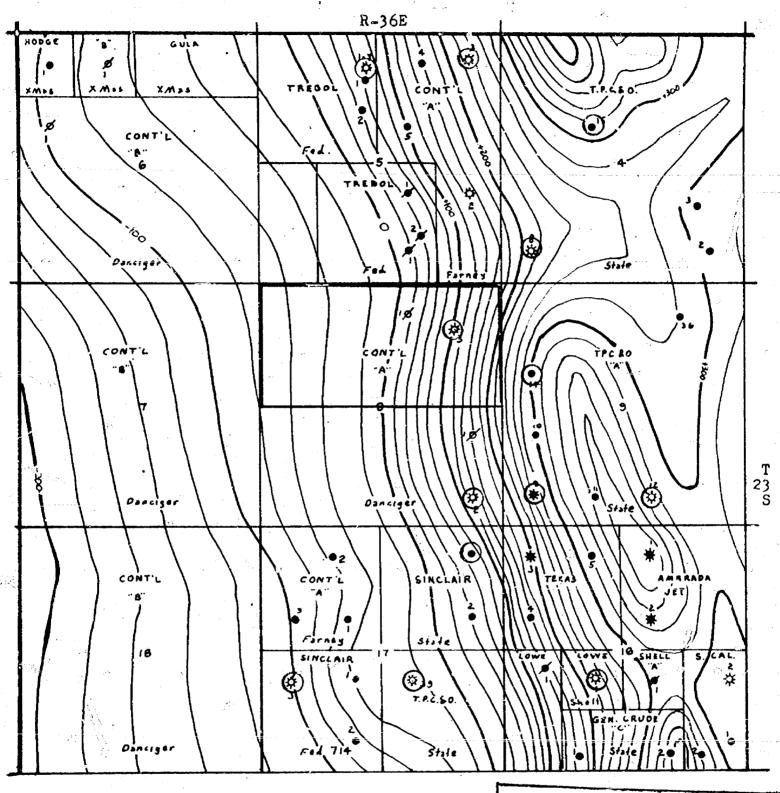
OIL CONSERVATION COMMISSION EXHIBIT NO.

Danciger A-8 No. 3

Jalmat Gas Well

Approved Proration Unit -

Proposed Proration Unit



CONTINENTAL OIL COMPANY
STRUCTURE MAP-JAIMAT POOL
CONTOURED ON TOP OF YATES SANDS OIL CONSERVATION COMMISSION

Danciger A-8 Lease

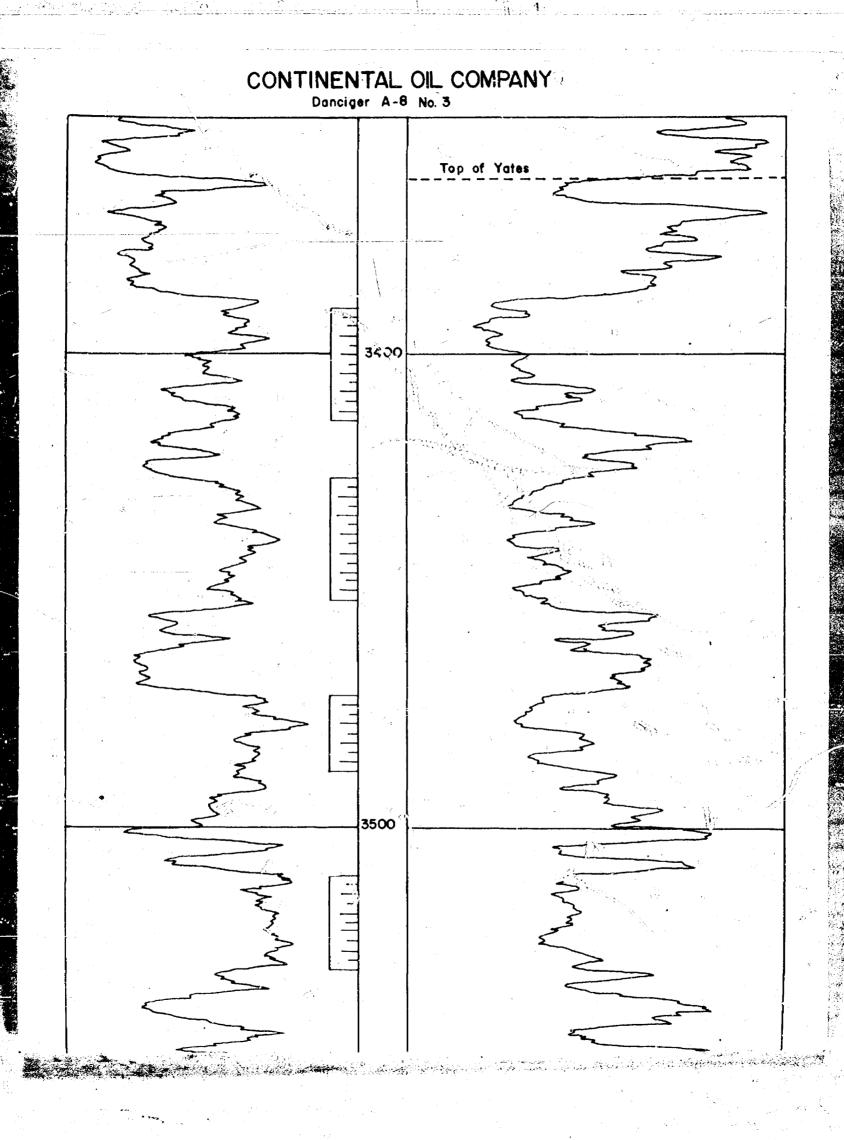
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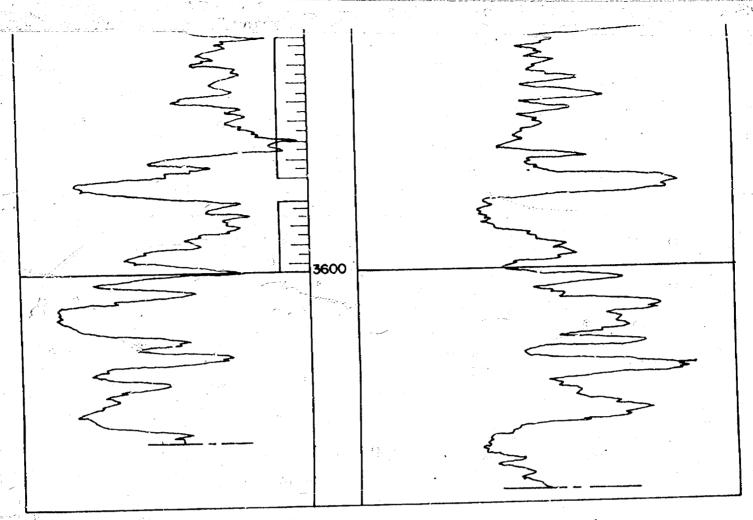
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Cont- EXHIBIT NO.

Proposed Unit Well O

Proposed Gas Unit -





Spudded 7 p.m. 1-4-58. Set 8 5/8" csg. at 360'. Set 5 1/2" csg. at 3649'.

Periorated with 2 shots/ft 3390-3414', 3426-3452', 3472-3488', 3510-3520". Perforated w/4 shots/ft 3520-3530', 3550-3580', 3585-3600'. Acidized interval 3510-3530', 3550-3580', 3585-3600' w/500 gals 15% Acidized interval 3510-3530', 3550-3580', 3585-3600' w/500 gals crude, 6000# sand, LSTNE acid. Sandfraced interval above w/6000 gals crude, 6000# sand, 600# Adomite. Pressure: Max 5500#, min 5000#. SIP 1100#, avg inj crute 6 bbls/min.

Acidized interval 3390-3414', 3426-3452', 3472-3488' w/500 gals. 15% LSTNE acid. Sandfraced above interval w/6000 gals crude, 6000# sand, 600# Adomite. Tressure: Max 4600#, min 4200#. SIP 600#, avg inj rate 7 bbls/min.

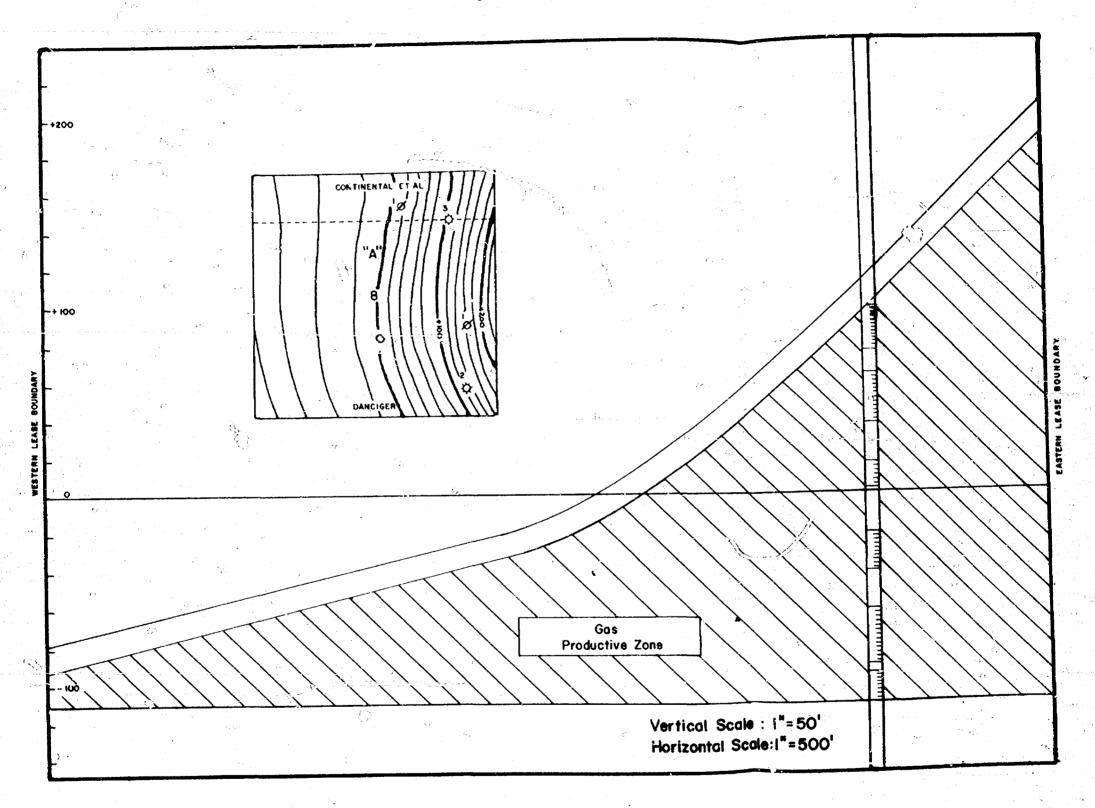
Waterfraced various intervals between 3390-3600' w/60,000 gals. water, 60,000# sand. Pressure: Max 3400#, min 2000#. SIP 250#. Avg inj rate 42.9 bbls/min.

Tested 3-5-58. O. F. Potential = 1300 MCFPD. Deliverability @ 350 psig = 685 MCFPD. Deliverability @ 150 psig = 1140 MCFPD. Shut-in pressure = 513.2 psia. TD 3650', DF 10', elev 3488' DF.

Interpretive Cross-Section

Danciger A-B Lease

Showing Gas Productive Yates



NEW MEXICO OIL CONSERVATION COMMISSION One-point Back Presume Test for las Wells

rorm C-122-C

					(Deliverabi	lity)				4-1	L-54
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REMARKS

This well began leading up with fluid just prior to recording flow data. Permission is requested to retest at rate sufficient to keep well unloaded.

DOCKET: EXAMINER HEARING MAY 6, 1959

OIL CONSERVATION COMMISSION, MABRY HALL, STATE CAPITOL, 9 a.m., SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner:

CASE 1651:

Application of Continental Oil Company for an automatic custody transfer system and for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Hobbs Pool from three separate non-contiguous leases in Township 18 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.

CASE 16528

Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 8, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Danciger A-8 Well No. 3 located 990 feet from the North and East lines of said Section 8.

CASE 1653:

Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 28 and the NW/4 of Section 27, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Lynn A-28 Well No. 5 located 660 feet from the North and East lines of said Section 28.

CASE 1654:

Application of Shell Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the West Henshaw-Grayburg Pool from three separate contiguous leases located in Township 16 South, Range 30 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.

CASE 16551

Application of Skelly Oil Company for permission to commingle the production from the Tubb Gas Pool and the Drinkard Oil Pool. Applicant, in the above—styled cause, seeks an order authorizing it to commingle the liquids produced from the Tubb Gas Pool with the oil produced from the Drinkard Oil Pool underlying its State "K" Lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, lea County, New Mexico. Applicant proposes to meter the production from each pool prior to commingling.

CASE 1656:

Application of Skelly Oil Company for permission to commingle the production from five separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Ellenburger, lickee, Fusselman, Montoya, and Blinebry formations underlying its Hobbs "A" Lease comprising the NW/4 of Section 30, Township 25 South, Range 38 East, in the Justis Field, Lea County, New Mexico. Applicant proposes to separately meter the production from each pool prior to commingling.

CASE 1657:

Application of Standard Oil Company of Texas for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order authorizing its Vac-Edge Unit Area comprising 2078 acres, more or less, of state lands in Township 18 South, Range 35 East, Les County, New Mexico.

Decket No. 15-59

CASE 1658:

Application of The Texas Company for an order authorizing a salt water disposal well: Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its "BN" (NCT-1) Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the interval from 3529 feet to 7430 feet.

CASE 1659:

Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" Well No. 9 located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the J. is-Drinkard Pool and the production of oil from the Justis-Ellenburger Fool through parallel strings of 2-3/8 inch tubing.

CASE 1660:

Application of Atlantic Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system utilizing positive volume tanks with automatic dumping facilities to transfer custody of all oil produced on its Navajo Lease comprising certain acreage in Township 31 North, Range 16 West, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico.

CASE 1661:

Application of Pan American Petroleum Corporation for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its W. H. Turner No. 1 located in the SE/4 SE/4 of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont producing interval adjacent to the Eumont Pool and the production of oil from the Drinkard Pool. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 16621

Application of Pan American Petroleum Corporation for permission to commingle the production from several separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from all or a portion of seven separate federal leases in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each lease prior to commingling.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

In the matter of the hearing Called by the oil conservation Commission of NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1452 Order No. R-1394

APPLICATION OF CONTINENTAL OIL COMPANY FOR THE ESTABLISHMENT OF A 328-ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Uts. Examiner duly appointed by the Oil Conservation Commission of New Mexico, dereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _______day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence address, and the recommendations of the Examiner, Elvis A. Uts, and being fully advised in the premises.

FINDS

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof,
- (2) That the applicant, Centinental Oil Company, is the owner and operator of the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Danciger A-8 Well No. 3 located 990 feet from the North line and 990 feet from the East line of said Section 8.
- (4) That the applicant proposes the establishment of a 320-acre nonstandard gas provation unit in the Jalmat Gas Pool consisting of the N/2 of said Section 8, to be dedicated to the said Daneiger A-8 Well No. 1,
- (5) That the entire N/2 of said Section 8 can reasonably be presumed to be productive of gas from the Jaimat Gas Pool.

-2-Case No. 1652 Order No. R-1394

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

- (1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the N/2 of Section 3, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's Danciger A-0 Well No. 3, located 990 feet from the North line and 990 feet from the East line of said Section 8.
- (2) That the said Danciger A-8 Well No. 3 shall be assigned an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jaimat Gas Pesi.
- (3) That Administrative Order NSP-436 be and the same is hereby cancelled.
 - (4) That the effective date is this Order is June 1, 1959.

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

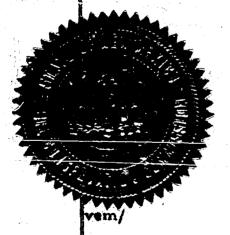
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

mit anna

MURRAY E. MORGAN, Member

A. L. PORTER, Jry Member & Secretary



OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

My 15, 1959

er. Jacen Kollahin Des 1713 Desta Po, Cor Kexico

Bear or. Kellahin:

On behalf of your elient, Continental Oil Company, to enclose two copies of Order No. R-1894 issued May 18, 1968, by the Oil Conservation Commission in Case No. 1663, which was board on May 6, 1980 at Santa Po, Now Mexico before an examiner.

Yery truly yours,

A. L. PORTER, &r. Secretary-Director

ALD/11

The Leasures

Copy sent to

Draft OEP:vem May 8

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 1652 Order No. R - <u>1394</u>

APPLICATION OF CONTINENTAL OIL COMPANY FOR THE ESTABLISHMENT OF A 320-ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, or this day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter the reof.
- (2) That the applicant, Continental Oil Company, is the owner and operator of the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Danciger A-8
 Well No. 3 located 990 feet from the North line and 990 feet from the East line
 of said Section 8.
- (4) That the applicant proposes the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of said Section 8, to be dedicated to the said Danciger A-8 Well No. 3.
- (5) That the entire N/2 of said Section 8 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.
- (6) That approval of the subject application will not cause waste or impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established.

406 05/1 -2-Case No. 1652 Order No. R-____

Said unit is to be dedicated to applicant's Danciger A-8 Well No. 3, located
990 feet from the North line and 990 feet from the East line of said Section 8.

- (2) That the said Danciger A-8 Well No. 3 shall be assigned an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.
- (3) That Administrative Order NSP-436 be and the same is hereby cancelled.
 - (4) That the effective date of this Order is June 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION