

Entered August 16, 1965
C.D.

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. 3282
Order No. R-2947

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A SPECIAL ALLOWABLE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 28, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of August, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Continental Oil Company, seeks the assignment of a special allowable to wells in the Jalmat Gas Pool in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, to permit equalized per-acre withdrawal rates with wells in the Scarborough Pool in Winkler County, Texas.

(3) That, in the alternative, the applicant seeks the designation of Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, as a separate new pool for Yates production and the establishment of a procedure whereby special allowables would be assigned to effect such equalized per-acre withdrawals.

(4) That the applicant has established that the geological and engineering evidence presently available indicates that wells in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, that are completed in the Yates formation are producing

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from a common source of supply with wells that are completed in the Yates formation in the Scarborough Pool in Winkler County, Texas, and that said common source of supply is separate from the Jalmat Gas Pool in Lea County, New Mexico.

(5) That the wells completed in the Yates formation in the Scarborough Pool in Winkler County, Texas, receive a per-acre allowable greater than the wells completed in the Yates formation in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(6) That further studies should be conducted to define the horizontal limits of the Jalmat Gas Pool in Lea County, New Mexico, and the Scarborough Pool in Winkler County, Texas.

(7) That, in order to prevent drainage and otherwise prevent waste and protect correlative rights, pending a more definite determination of the horizontal limits of the Jalmat Gas Pool and the Scarborough Pool, each month wells completed in the Yates formation in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, should be assigned an allowable equal to the per-acre allowable assigned to wells in the Scarborough Pool in Winkler County, Texas.

IT IS THEREFORE ORDERED:

(1) That, pending a more definite determination of the horizontal limits of the Jalmat Gas Pool and the Scarborough Pool, the top allowable for wells completed in the Yates formation in Section 31, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, shall be 128 barrels of oil per day.

(2) That 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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

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