

Entered June 5, 1968
D. P.

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. 3754
Order No. R-3425

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 24, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of June, 1968, 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, is the
co-owner and operator of the Stevens A-35 Lease consisting of the
SW/4, W/2 SE/4, and SE/4 SE/4 of Section 35, Township 23 South,
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the W/2 SE/4 and SE/4 SE/4 of said Section 35 is
presently dedicated to its Stevens A-35 Well No. 1, located in
Unit J of said Section 35, and the SW/4 of said Section 35 is
presently dedicated to its Stevens A-35 Well No. 2, located in
Unit L of said Section 35.

(4) That the applicant now seeks the consolidation of the
two existing non-standard gas proration units to form one 280-
acre non-standard gas proration unit in the Jalmat Gas Pool
comprising the SW/4, W/2 SE/4, and SE/4 SE/4 of said Section 35,
to be simultaneously dedicated to the aforesaid Stevens A-35
Wells Nos. 1 and 2.

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(5) That applicant's Stevens A-35 Well No. 2 was reclassified as a marginal well on January 1, 1968, and its accumulated under-production cancelled as of said date.

(6) That remedial work of undeterminate effect was commenced February 3, 1968, on the subject well.

(7) That the subject application for consolidation was filed with the Commission March 18, 1968.

(8) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Stevens A-35 Wells Nos. 1 and 2.

(9) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective as of April 1, 1968, a 280-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Stevens A-35 Well No. 1, located in Unit J of said Section 35, and the Continental Oil Company Stevens A-35 Well No. 2, located in Unit L of said Section 35.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 280 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; that the status of said consolidated unit shall be the combined status, as of April 1, 1968, of the two units being consolidated.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

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