

*Entered January 15, 1971*  
*A.P.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. 4485  
Order No. R-4090

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 January 6, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1971, 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 Wells "A" Lease which, in addition to other lands, consists of the NW/4 NW/4, S/2 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order NSP-200, the Commission approved a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the W/2 NW/4 and SE/4 NW/4 of said Section 1 to be dedicated to the applicant's Wells "A" Well No. 2 located in Unit E of said Section 1; and that the applicant has recently completed as a Jalmat gas well its Wells "A" Well No. 7 located in Unit F of said Section 1.

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(4) That the applicant now seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool comprising all of the acreage in its Wells "A" Lease within said Section 1, as described above, to be simultaneously dedicated to its Wells "A" Wells Nos. 2 and 7.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Wells "A" Wells Nos. 2 and 7.

(7) 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, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Administrative Order NSP-200 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective February 1, 1971, a 240-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 NW/4, S/2 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Wells "A" Wells Nos. 2 and 7, located, respectively, in Units E and F of said Section 1.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 240 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Administrative Order NSP-200 is hereby superseded.

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(4) 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



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

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