

Entered July 14, 1971
A. L. 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. 4557
Order No. R-4170

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of July, 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
operator of the Maljamar Participating Area of the MCA Unit
and is the operator of leases outside the Participating Area
but within the boundaries of the Maljamar Cooperative Area
approved by Order No. R-2403, as amended.

(3) That the applicant seeks authority to transfer allow-
able from wells on its leases that are within the Cooperative
area but outside the Participating Area to wells that are within
the Participating Area.

(4) That Order No. R-2403, as amended, adopted a formula
for the allocation of production to the Participating Area and
other committed leases within the boundaries of the Maljamar
Cooperative Agreement Area, Maljamar Grayburg-San Andres Pool,
Lea County, New Mexico.

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(5) That Order (4) of said Order No. R-2403 provided that no allowable shall be transferred across the boundary of the Participating Area or across the boundary of any lease outside the Participating area without notice and hearing.

(6) That approval of the subject application would permit wells within the Participating Area to produce more than their just and equitable share of the oil from the subject pool and would, therefore, violate the correlative rights of other operators in the pool.

(7) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.


(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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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