

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. 857
Order No. R-634

THE APPLICATION OF TEXAS PACIFIC
COAL AND OIL COMPANY FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
TO RULE 5 (a) OF ORDER NO. R-520 IN THE
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS POOL
CONSISTING OF THE S/2 OF SECTION 7, TOWN-
SHIP 22 SOUTH, RANGE 36 EAST, NMPM, LEA
COUNTY, NEW MEXICO, AND THE ASSIGNMENT
OF SAID ACREAGE TO THEIR STATE "A" a/c-2
WELL NO. 12 FOR GAS PRORATION PURPOSES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission hereinafter referred to as the "Commission".

NOW, on this 12th day of May, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 5 (a) of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Texas Pacific Coal and Oil Company, is owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
S/2 of Section 7

containing 320 acres, more or less.

Entered May 16, 1955

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Order No. R-634

(4) That applicant, Texas Pacific Coal and Oil Company, has a producing gas well on the aforesaid lease, known as the State "A" a/c-2 Well No. 12, located 1980 feet from the south line and 660 feet from the east line of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well is located within the horizontal limits of the Jalmat Gas Pool, and said well is completed in the Yates formation of the Jalmat Gas Pool vertical interval.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool, and

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Texas Pacific Coal and Oil Company for approval of an unorthodox proration unit consisting of the following described acreage:

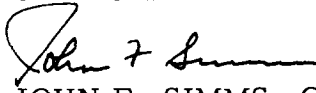
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
S/2 of Section 7

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

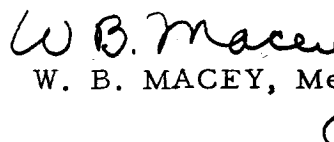
(2) That applicant's well, State "A" a/c-2 Well No. 12, located 1980 feet from the south line and 660 feet from the east line of Section 7, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 320-acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

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