

*Entered January 14, 1970
C.I.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. 4292
Order No. R-3907

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 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of January, 1970, 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 Lockhart B-1 Lease consisting of the S/2 N/2 and SE/4 of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order NSP-572, the Commission approved a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 N/2 and N/2 SE/4 of said Section 1 to be dedicated to the applicant's Lockhart B-1 Well No. 4, located in Unit G of said Section 1; and that by Administrative Order NSP-573, the Commission approved an 80-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 SE/4 of said Section 1 to be dedicated to the applicant's Lockhart B-1 Well No. 6, located in Unit P of said Section 1.

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(4) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the S/2 N/2 and SE/4 of said Section 1, to be simultaneously dedicated to the aforesaid Lockhart B-1 Wells Nos. 4 and 6.

(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 Lockhart B-1 Wells Nos. 4 and 6.

(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 Eumont 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 Orders NSP-572 and NSP-573 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective February 1, 1970, a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the S/2 N/2 and the SE/4 of Section 1, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Lockhart B-1 Well No. 4, located in Unit G of said Section 1, and the Continental Oil Company Lockhart B-1 Well No. 6, located in Unit P 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 320 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 January 31, 1970, of the two units being consolidated.

(3) That Administrative Orders NSP-572 and NSP-573 are hereby superseded.

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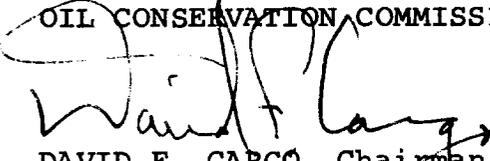
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(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIZO, Member


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

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