



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 2, 1994

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attention: Jerry Hoover

Administrative Order NSL-3416(SD)

Dear Mr. Hoover:

Reference is made to your application dated June 6, 1994 for an unorthodox Jalmat gas well location in an existing non-standard 320-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-4779, as amended, which also approved the simultaneous dedication of said GPU to the Jack "B-17" Well No. 3 (API No. 30-025-11130), located at a standard gas well location 990 feet from the North and East lines (Unit A) of said Section 17, and to the Jack "B-17" Well No. 4 (API No. 30-025-24622), located at a standard gas well location 990 feet from the North line and 1980 feet from the West line (Unit C) of said Section 17.

It is our understanding that the subject well in this application is currently completed as a Langlie Mattix oil well; however, said well will be plugged back and re-completed up hole to the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Jalmat gas well location is hereby approved:

*Jack "B-17" Well No. 2
660' FN & WL (Unit D) of said Section 17
Api No. 30-025-21065*



OIL CONSERVATION DIVISION
RECEIVED

Midland Division
Exploration Production

'94 JUN 13 AM 8 50

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

June 6, 1994

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Administrative Application for an Unorthodox Gas Well Location for the Recompletion of Conoco's Jack B-17 No. 2, located at 660' FNL & 660' FWL, Sec. T-24S, R-37E, Lea County, New Mexico, to the Jalmat Gas Pool and Simultaneous Dedication, with Well Nos. 3 and 4, to an Existing 320-Acre Non-Standard Proration Unit established by Order No. R-4779

Dear Mr. Stogner:

As shown by the attached plat (EXHIBIT A), the Jack B-17 No. 2 well is within the boundary of an existing 320-acre non-standard proration unit established for the N/2 of Section 17 that is dedicated to Jack B-17 Nos. 3 and 4. Well No. 2 is a depleted Langlie Mattix oil well which is now available to be recompleted in the Jalmat Gas Pool to improve the recovery efficiency from this pool in the N/2 of section 17.

Recompletion of this well to the Jalmat will recover additional gas reserves that will not justify the drilling of a new well at a standard location. The location of this proposed recompletion is standard to the northern boundary of the proration unit and does not encroach on offset Jalmat wells operated by Chevron, Hartman, and Meridian. The location is non-standard only to the west, where offset acreage has not been developed.

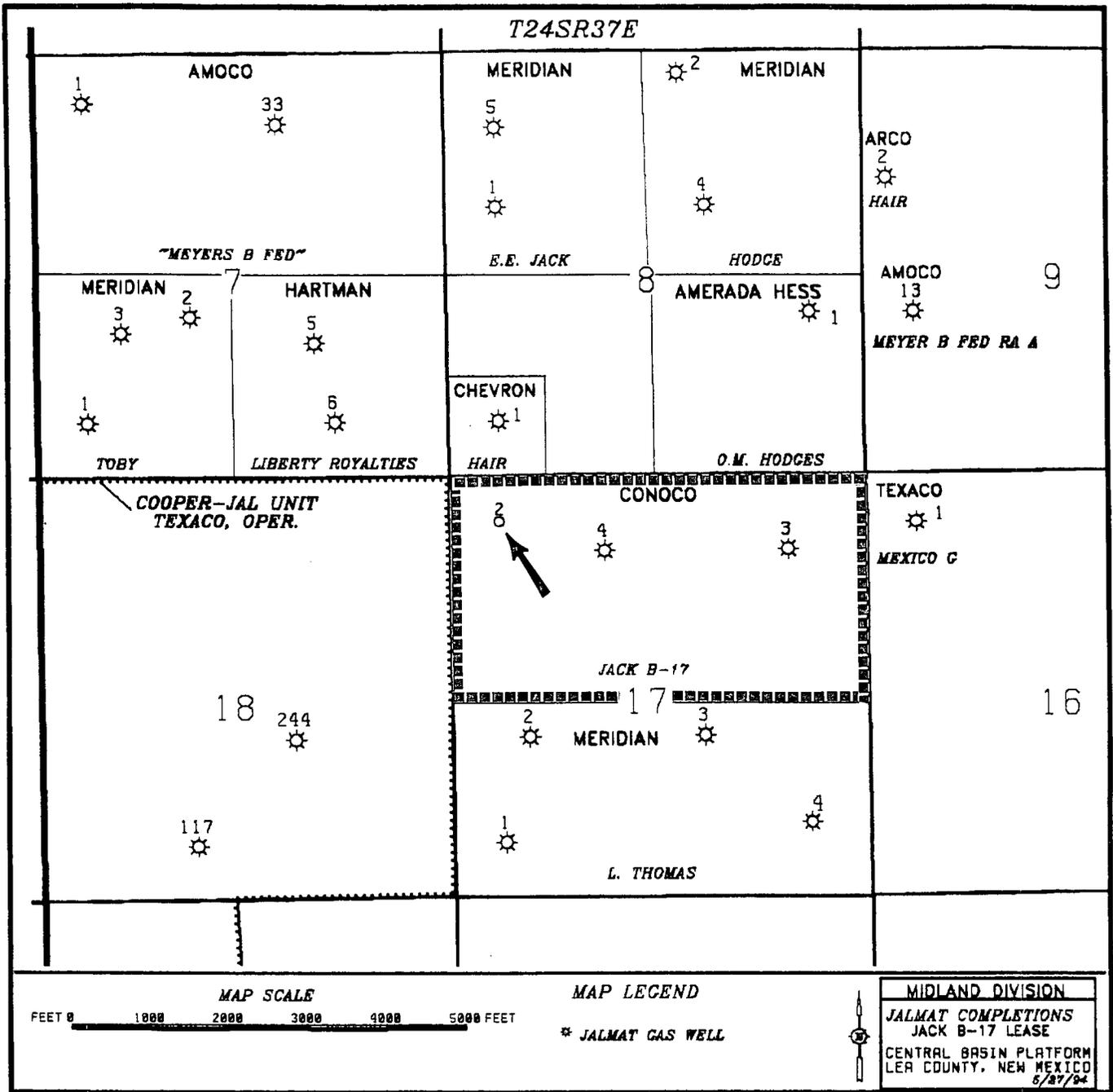
All offset operators, to this proposed unorthodox gas well location and simultaneous dedication request of three gas wells to this NSPU, have been notified by certified mail of the filing of this application. Copies of these mail receipts are also attached as EXHIBIT B.

Conoco requests that this unorthodox gas well location for development of additional Jalmat Gas Pool reserves and the simultaneous dedication of Jack B-17 Nos. 2, 3, and 4 be approved by administrative order. If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office



■■■■■■■■ 320-Acre Non-Standard Proration Unit
Approved by Order No. R-4779

P 885 448 212

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Texaco Prod. Inc.
P.O. Box 3109
Midland, Texas 77702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
6/6/94

PS Form 3800, June 1985

P 885 448 211

RECEIPT FOR CERTIFIED MAIL

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(See Reverse)

Mr. Doyle Hartman
1305 W. Illinois
Midland, TX 79701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

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PS Form 3800, June 1985

P 885 448 210

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(See Reverse)

Amoco
P.O. Box 3092
Houston, Texas 77253

Postage	\$
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Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
6/6/94

PS Form 3800, June 1985

P 885 448 214

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Meridian
3300 N. "A" Street
Midland, Texas 79705

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
6/6/94

PS Form 3800, June 1985

P 885 448 213

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Amerada Prod. Co.
P.O. Box 840
Seminole, TX 79360

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
6/6/94

PS Form 3800, June 1985

P 885 448 205

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Chevron
P.O. Box 1150
Midland, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$

Postmark or Date
6/6/94

PS Form 3800, June 1985

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. 5223
Order No. R-4779

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A 320-ACRE NON-
STANDARD GAS PRORATION UNIT,
SIMULTANEOUS DEDICATION OF
ACREAGE AND REINSTATMENT OF
CANCELLED UNDERPRODUCTION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of May, 1974, 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, seeks approval for a 320-acre non-standard gas proration unit comprising the N/2 of Section 17, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Jack B-17 Wells Nos. 3 and 4, located 990 feet from the North line and 990 feet from the East line and 990 feet from the North line and 1980 feet from the West line, respectively, of said Section 17 with the allowable to be produced from either well in any proportion.

(3) Applicant further seeks reclassification of the subject proration unit to non-marginal status and reinstatement of the underproduction which was cancelled November 1, 1973, when the aforesaid proration unit was reclassified to marginal status.

(4) That applicant requests that said reclassification and reinstatement be retroactively effective April 1, 1974.

(5) That the proposed non-standard gas proration unit can

be efficiently and economically drained and developed by the subject wells.

(6) That the applicant recompleted its Jack B-17 Well No. 3 within the proration period in which it was reclassified as marginal.

(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 and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate a non-standard gas proration unit comprising the N/2 of Section 17, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its Jack B-17 Wells Nos. 3 and 4, located 990 feet from the North line and 990 feet from the East line and 990 feet from the North line and 1980 feet from the West line, respectively, of said Section 17.

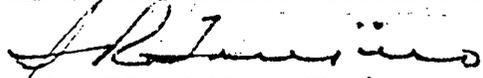
(2) That the allowable assigned to said unit shall be based on the unit size of 320-acres and may be produced by the wells to which said unit is dedicated in any proportion.

(3) That the subject unit is hereby reclassified to non-marginal status effective 7:00 a.m., April 1, 1974 and the under-production of said unit accruing since January 1, 1973, being 195,212 MCF, is hereby reinstated as of the same date.

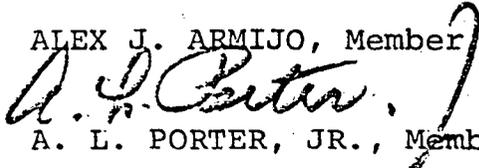
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5223
Order No. R-4779-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A 320-ACRE NON-STANDARD GAS PRORATION
UNIT, SIMULTANEOUS DEDICATION OF ACREAGE
AND REINSTATEMENT OF CANCELLED UNDER-
PRODUCTION, LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC

BY THE COMMISSION:

It appearing to the Commission that due to clerical error and inadvertence, Order No. R-4779, dated May 21, 1974, does not correctly state the intended order of the Commission.

IT IS THEREFORE ORDERED:

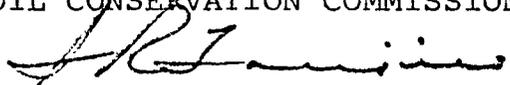
(1) That Paragraph (1) on Page 2 of Order No. R-4779, be and the same is hereby corrected to read in its entirety as follows:

"(1) That the applicant, Continental Oil Company, is hereby authorized to simultaneously dedicate a non-standard gas proration unit comprising the N/2 of Section 17, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its Jack B-17 Wells Nos. 3 and 4, located 990 feet from the North line and 990 feet from the East line and 990 feet from the North line and 1980 feet from the West line, respectively, of said Section 17."

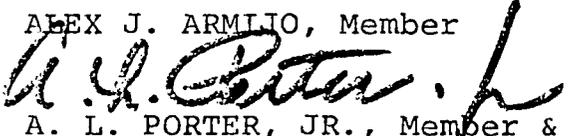
(2) That this order shall be effective nunc pro tunc as of May 21, 1974.

DONE at Santa Fe, New Mexico, this 4th day of June, 1974.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L
jr/