

OCC HOBBS

RANDALL TO WARREN

REGARD NSP 200 BOTH COPIES OF APPLICATION WERE SENT TO THE ENG COM
BUT WE NOW HAVE THEM AND THE FOLLOWING REMARKS ARE ON THE APPLICATION

APPLICATION IS AMBIGUOUS AS TO LAND DESCRIPTION AND THE SECTION OPEN
IN THIS WELL IS OPEN IN THE THREE STATES WELLS A 1 OFFSET TO THE
SOUTH WHICH IS A LOW GOR AND A TOP ALLOWABLE OIL WELL RANDALL
QUESTIONABLE GAS WELL RECOMMEND HEARING CHARLIE
END OR GA
WARREN TO RANDALL

ON THREE STATES WELL WHAT IS THE PAY THAT IS OPEN IN THE JALMAT
POOL

SEVEN RIVERS AND MAYBE YATES

CAN CHECK IF YOU NEED EC EXACT INTERVAL

GA

NOT NECESSARY BUT ON WHAT BASIS DO YOU RECOMMEND HEARING

I FELL OR RATHER I KNOW THAT THE DRY GAS WELL OF CONT IS OPEN IN THE
SAME STRATIGRAPHIC INTERVAL AS IS THE THREE STATES WELL AND STRUCTURAL
THEY ARE ESSENTIALLY THE SAME IN OTHERWORD IT COULD POSSIBLE BE AN OIL

REPEAT AFTER COULD POSSIBLE BE

COULD POSSIBLE Y BE AN OIL WELL OR ATLEAST A PORTION OF THE ACREAGE
MAYBE PRODUCTIVE OF OIL

GA

IS THE WELL IN QUESTION MAKING ANY OIL AS TO YOUR KNOWLEDGE

NO

PLS WRITE AN ATTACHED LETTER TO YOUR APPROVAL OR DISAPPROVAL SO
THAT WE CAN ACT I ACCORDINGLY IN THE HEARING

M

B

END OR GA PLS

RODGER AND OUT OR GA PLS

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. ARMILJO, Member



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

S E A L

esr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 16, 1972

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Administrative Order NSP-872

Gentlemen:

Reference is made to your application for approval of an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 SW/4

It is understood that this unit is to be dedicated to your Unit Well "A" No. 8, located 990 feet from the South line and 1650 feet from the West line of said Section 1.

By authority granted me under provisions of Order No. R-1670, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit.

Order No. R-4090 is placed in abeyance.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GMH/dr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Proration Department, OCC, Santa Fe

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