

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1179
Order No. R-940

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN
EXCEPTION TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS
FOR THE JALMAT GAS POOL AS SET
FORTH IN ORDER NO. R-520 IN
ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 227 CONTIGUOUS
ACRES CONSISTING OF LOTS 5, 6, AND
7, SE/4 NW/4, AND E/2 SW/4, SECTION
6, TOWNSHIP 22 SOUTH, RANGE 36 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on November 28, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of January, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 case and the subject matter thereof.

(2) That applicant, Gulf Oil Corporation, is the 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, to-wit:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 6: Lots 5, 6 & 7, SE/4 NW/4, E/2 SW/4

containing 227 acres, more or less.

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(3) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lease known as its J. H. Day Well No. 3, located 330 feet from the South line and 2310 feet from the West line of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(4) That the aforesaid well was recompleted and in production subsequent to the effective date of Order No. R-520 and is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(5) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 227 acres.

(6) 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.

(7) 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 Gulf Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Jalmat Gas Pool, Lea County, New Mexico, **TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 8; Lots 5, 6 & 7, SE 1/4 NW 1/4, E 1/2 SW 1/4**

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

(2) That applicant's J. H. Day Well No. 3, located 330 feet from the South line and 2310 feet from the West line of said Section 8, shall be granted an allowable in the proportion that the above-described 227-acre unit bears to the standard proration unit in accordance with Rule 12 of the Special Rules and Regulations for the Jalmat Gas 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

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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