



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

February 10, 1989

Penroc Oil Corporation  
P.O. Box 5970  
Hobbs, NM 88241

Attention: M.Y. Merchant,  
President

Administrative Order NSP-1556

Dear Mr. Merchant:

Reference is made to your application of January 17, 1989 for a 280-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 20: NE/4, W/2 NW/4, AND SE/4 NW/4

It is my understanding that this unit is to be dedicated to your J.C. Johnson Well No. 4 located at a previously authorized unorthodox gas well location (pursuant to RULE 2(b)2 of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended 660 feet from the North and West lines (Unit D) of said Section 20.

By authority granted me under the provisions of the Special Rules and Regulations for the Jalmat Gas Pool, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with the pool rules, based upon the unit size of 280 acres.

Sincerely,

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM Oil and Gas Engineering Committee - Hobbs  
Order Files: NSP-559, SD-87-1

Administrative Order NSP-1556  
Penroc Oil Corporation  
February 10, 1989  
Page 2

REMARKS: By Division Administrative Order NSP-559, dated August 28, 1961, authorization was given for the above-described well to be dedicated to a 320-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the entire N/2 of said Section 20. On December 1, 1987, authorization was obtained by Order No. SD-87-1 to simultaneously dedicate Jalmat Gas Production from this 320-acre unit to both the J.C. Johnson Well Nos. 4 and 5 located in Units D and C, respectively, of said Section 20. Recently the No. 5 well was reclassified to an oil well in the Jalmat Gas Pool and was therefore reassigned a 40-acre oil spacing and proration unit, which has resulted in the necessity of this order. Both Division Administrative Orders NSP-559 and SD-87-1 are hereby held in abeyance until further notice.



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
 OIL CONSERVATION DIVISION  
 HOBBS DISTRICT OFFICE

11-23-87

POST OFFICE BOX 1980  
 HOBBS, NEW MEXICO 88401-1980  
 (505) 393-6161

GARREY CARRUTHERS  
 GOVERNOR

OIL CONSERVATION DIVISION  
 P. O. BOX 2088  
 SANTA FE, NEW MEXICO 87501

RECEIVED  
 NOV 30 1987  
 OIL CONSERVATION DIVISION  
 SANTA FE

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_
- NSL \_\_\_\_\_
- NSP  \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Pennac Oil Corp. J.C. Johnson H-5-C 20-23-37  
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK J.S.

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Yours very truly,

Jerry Sexton  
 Supervisor, District 1

/ed

# PENROC

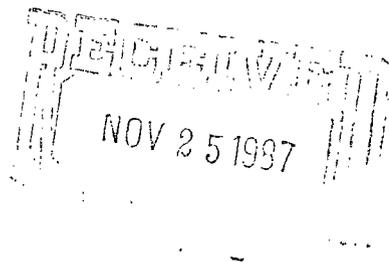
Penroc Oil Corporation / P. O. Box 5970 / Hobbs, New Mexico 88241 / Telephone (505) 397-3596 / Telecopier (505) 393-7051

November 20, 1987

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Bill Lemay

Re: Request for Amendment  
Administrative Order No. 559  
J. C. Johnson  
N/2 Section 20, T23S, R37E  
Lea County, New Mexico



Gentlemen:

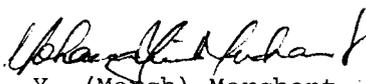
PENROC OIL CORPORATION respectfully request an administrative approval for an amendment to the Administrative Order No. 559 for the Jalmat Gas Pool.

Currently Well No. 4 is producing approximately 8 MCFD from the Jalmat. It is the intent of PENROC, to re-complete Well No. 5 in the Jalmat and share an allowable with Well No. 4 in the 320 acre NSPU. Well No. 5 is presently shut-in and un-economical to produce in the Langlie Mattix.

An early approval for the above will be greatly appreciated. If you have any questions, please contact the undersigned. Thank you.

Sincerely,

PENROC OIL CORPORATION

  
M. Y. (Merch) Merchant  
President

MYM/br

Enclosures

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

1770 1 1 9 42

August 28, 1961

Skelly Oil Company  
Box 38  
Hobbs, New Mexico

Attention: Mr. H. E. Aab, District Superintendent

Administrative Order NSP-559

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 20: N/2

It is understood that this unit is to be dedicated to your J. C. Johnson Well No. 4, located 660 feet from the North line and 660 feet from the West line of said Section 20.

By authority granted me under the provisions of the Special Rules and Regulations for the Jalmat Gas Pool, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with the pool rules, based upon the unit size of 320 acres.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ALP/RSM/esr

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs

C  
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P  
Y