ARCO Oil and Gas Company Permian District Post Office Box 1610 Midland, Texas 79702 Telephone 915 684 0149

> Jerry L. Tweed District Engineer



Place Baylown ce

Two ps P3 2200 Sur Form C-10-10-70 Rule JC 3 - 80

hsp-1217

September 18, 1980

Mr. Joe D. Ramey Oil Conservation Division New Mexico Department of Energy & Mineral/s P. 0. Box 2088

Santa Fe, New Mexico 87501

Re: Application for Non-standard profation unit Jalmat Gas Pool E. L. Steeler Lease S/2 Section 19, T-23-S, R-37-E Lea County, New Mexico

Gentlemen:

ARCO Oil and Gas Company request's administrative approval to replace the existing 320-acre non-standard proration unit on the E. L. Steeler Lease with two/160-acre nonstandard proration units. Currently, the 320-acre unit established under Division Order R-3054/in April, 1966, comprises the S/2 of Section 19, Township-23-South, Range-37-East. Approval is requested to replace this proration unit with two 160-acre proration units, one comprises the SW/4 and the other comprises the SE/4 of Section 19, Township-23-South, Range-37-East.

ARCO Oil and Gas Company also requests administrative approval to dedicate the Steeler No. 3 to the newly formed 160-acre non-standard proration unit comprising the SW/4 of Section 19, T-23-S, R-37-E. The SE/4 of said Section 19 is to be dedicated to a proposed new well, the Steeler No. 5 located in Unit letter J.

Mr. Joe D. Ramey September 18, 1980 Page 2.

ARCO Oil and Gas Company believes approval of these requests will be in the interest of conservation, protection of correlative rights, and allow for more complete recovery of the Jalmat gas reserves from the subject acreage.

Attached are a well location and acreage dedication plat (Form C-102), a map showing offset operators, and a list of offset operators who have been furnished a copy of this application by registered mail.

Very truly yours,

J. L. Tweed

HQP:jaf

Attachments

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

OCT 0 6 1000

All distances must be from the outer boundaries of the Section. ARCO OII and Gas Company E. L. Steeler 23-S 37-E Lea on.ot.Wells 1980 1980 South Ground Lavel Ele 3230 (est) Yates 7 Rivers Jalmat Gas 160 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling.etc? If answer is "yes," type of consolidation _ If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION 19 I hereby certify that the information cantained herein Ix true and complete to the best of my knowledge and belief. L. Tweed District Engineer ARCO OII & Gas Co. October 1, 1980 I harnby carrify that the well location shown on this plat was platted from field 660 notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed Restatured Professional Engineer and/or Load Surveyor

1920 1680 1980 2310

E. L. Steeler Lease S/2 Section 19, T-23-S, R-37-E, Lea County, New Mexico

Offset Operators:

Texas Pacific Oil Company 900 Wilco Building Midland, Texas 79701

Gulf Oil Company P. O. Box 1150 Midland, Texas 79702

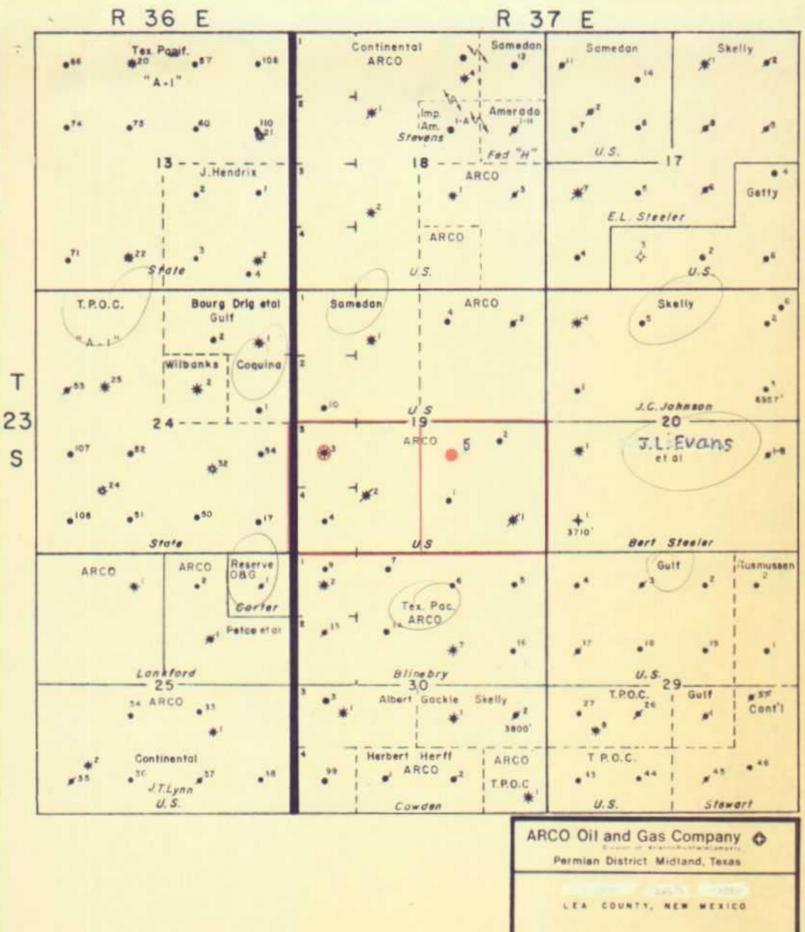
Coquina Oil Company P. O. Drawer 2960 Midland, Texas 79702

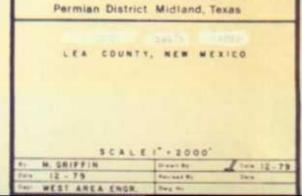
Samedan Oil Company 900 Wall Towers East Midland, Texas 79701

Getty Oil Company P. O. Box 1231 Midland, Texas 79702

Reserve Oil and Gas Company 312 HBF Building Midland, Texas 79701

James L. Evans P. O. Box 1125 Eunice, New Mexico 88231





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. 3385 Order No. R-3054

APPLICATION OF SINCLAIR OIL & GAS 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 March 23, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>lst</u> day of April, 1966, 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, Sinclair Oil & Gas Company, seeks approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the S/2 of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, to be simultaneously dedicated to its E. L. Steeler Wells Nos. 1, 2, and 3, located in Units P, N, and L, respectively, of said Section 19.
- (3) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the E. J. Steeler Wells Nos. 1, 2, and 3.
- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

-2- . CASE No. 3385 Order No. R-3054

IT IS THEREFORE ORDERED:

- (1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the S/2 of Section 19, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby created and simultaneously dedicated to the Sinclair Oil & Gas Company E. L. Steeler Wells Nos. 1, 2, and 3, located in Units P, N, and L, respectively, of said Section 19.
- (2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 320 acres and the operator may produce the allowable assigned to the unit from the subject wells in any proportion. Provided, however, that wells Nos. 1 and 2, located in Units P and N, respectively, of said Section 19, shall be produced at capacity subject to the allowable assigned to the aforesaid non-standard gas proration unit, and they shall not be temporarily or permanently abandoned without the consent of the Secretary-Director of the Commission for good cause shown.
- (3) 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

SEAL