

CASE 5234: Application of ATLANTIC  
RICHFIELD FOR A NON-STANDARD GAS  
PRORATION UNIT, LEA COUNTY.

CASE No.

52341

Application,  
Transcripts,  
Small Exhibits  
ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 8, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield for  
a non-standard gas proration unit,  
Lea County, New Mexico.

Case No.  
5234

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Thomas Derryberry, Esq.  
Legal Counsel for the  
Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.  
HINKLE, BONDURANT, COX  
& EATON  
Hinkle Bldg.  
Roswell, New Mexico

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

CASE 5234

Page.....2

I N D E X

PAGE

NELSON ROBERTSON

Direct Examination

3

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.  
1 and 2

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6

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MR. STAMETS: We'll call next Case 5234.

MR. DERRYBERRY: Case 5234. Application of Atlantic Richfield for a non-standard gas proration unit, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant, Cox & Eaton appearing on behalf of Atlantic Richfield. We have the same witness and we would like him to be sworn again.

MR. STAMETS: Would the record please show that this Witness has previously been sworn.

(Witness previously sworn.)

NELSON ROBERTSON

called as a witness, having been first duly sworn, was examined and testified as follows:

MR. HINKLE: Next we would like for the record to show that the qualifications of this Witness are sufficient.

MR. STAMETS: The record will so show.

DIRECT EXAMINATION

BY MR. HINKLE:

Q What is Atlantic Richfield seeking in connection with Application 5234?

A They're seeking a non-standard 320-acre proration

unit consisting of the south half of Section 14, Township 22 South, Range 36 East, Lea County, New Mexico, and a simultaneous dedication of this allowable to our McDonald State Well No. 1 located in Unit L and McDonald State No. 27 located in Unit O, for the allowable to be produced from either well in any proportion.

Q Have you prepared or has there been prepared under your direction exhibits which have been marked Exhibits 1 and 2?

A Yes, sir.

Q Refer to Exhibit 1 and explain what this shows.

A It shows the off-set Jalmat gas wells to our requested non-standard proration unit and their operators. Currently we have a non-standard 320-acre proration unit consisting in the south half of Section 14, dedicated to our McDonald State Well No. 1, located in Unit L. This well is marginal; we plan to drill the No. 27, and we are requesting a non-standard 320-acre proration unit consisting in the south half of Section 14 to be simultaneously dedicated to McDonald State Wells No. 1 and 27, and for the allowable to be produced in any proportion from either well.

Q Refer to Exhibit 2 and explain this.

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A This is a well location and acreage dedication plat for our McDonald State Well No. 27, showing the location of Well No. 27 being 2310 feet from the east line, 660 feet from the south line. It also shows the location of McDonald State Well No. 1 being 650 feet from the west line and 1980 feet from the south line.

Q What is your reason for this unorthodox location?

A This is not an unorthodox location.

Q Well, for non-standard?

A We already have proration units dedicating in the north half of the Unit and our Well No. 1 is marginal and we believe we can drill Well No. 27 and get it to a top-allowable.

Q And you want to dedicate both wells produced in any quantities to the south half of the section?

A Yes, sir.

Q In your opinion, will approval of this Application be in the interests of conservation and prevention of waste and protect correlative rights?

A Yes, sir.

MR. HINKLE: We would like to offer Exhibits 1 and 2.

MR. STAMETS: Without objection Exhibits 1 and

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2 will be admitted into evidence.

(Whereupon, Applicant's Exhibits

Nos. 1 and 2 were admitted into evidence.)

MR. STAMETS: Are there any questions of this  
Witness?

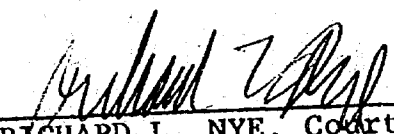
MR. HINKLE: That's all we have.

MR. STAMETS: He may be excused. If there is  
nothing further, Case 5234 will be taken under advisement.

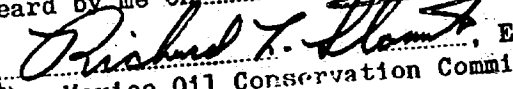


STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5234, heard by me on 5-8-74.

  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission

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# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**

8751

**I. R. TRUJILLO**  
**CHAIRMAN**  
**LAND COMMISSIONER**  
**ALEX J. ARMIJO**  
**MEMBER**  
**STATE GEOLOGIST**  
**A. L. PORTER, JR.**  
**SECRETARY - DIRECTOR**

May 28, 1974

Mr. Clarence Hinkle  
Hinkle, Bondurant, Cox & Eaton  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5234  
ORDER NO. R-4795  
Applicant:  
**Atlantic Richfield Co.**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC           x            
Artesia OCC                             
Aztec OCC                           

Other \_\_\_\_\_

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. 5234  
Order No. R-4795

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR A NON-STANDARD GAS PRORATION  
UNIT AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,  
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 28th 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, Atlantic Richfield Company, seeks  
approval of a 320-acre non-standard gas proration unit comprising  
the S/2 of Section 14, Township 22 South, Range 36 East, NMPM,  
Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously  
dedicated to its McDonald WN State Wells Nos. 1 and 27 located  
in Units L and O, respectively, of said Section 14, with unit  
production to be taken from said wells in any proportion.

(3) That the proposed non-standard gas proration unit can  
be efficiently and economically drained and developed by the  
subject wells.

(4) That the entire S/2 of said Section 14 may reasonably  
be presumed productive of gas from the Jalmat Gas Pool.

(5) 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.

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Case No. 5234  
Order No. R-4795

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. June 1, 1974, the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate its non-standard 320-acre gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to its McDonald WN State Wells Nos. 1 and 27, located in Units L and O, respectively, of said Section 14 with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based on the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

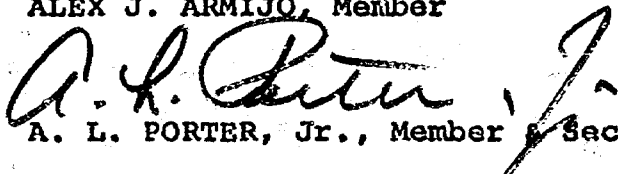
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

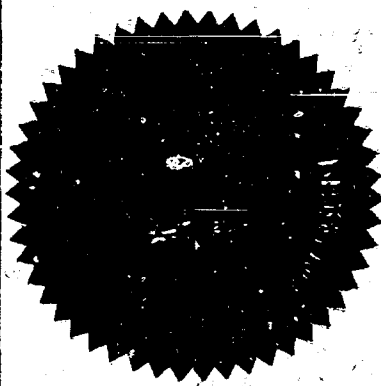
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

  
S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 8, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4790: (Reopened) (Continued from April 10, 1974, Examiner Hearing)

In the matter of Case No. 4790 being reopened pursuant to the provisions of Order No. R-4370, which order established temporary rules for the Dublin-Ellenburger Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5220: (Continued from the April 25, 1974, Examiner Hearing)

Application of Atlantic Richfield Company for an unorthodox gas well location and non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McDonald State WN Well No. 24 located 1780 feet from the North line and 660 feet from the West line of Section 25, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to a 320-acre non-standard gas proration unit comprising the N/2 of said Section 25.

CASE 5229: Application of Texas International Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lowe-Federal Well No. 1 located in Unit H of Section 31, Township 20 South, Range 30 East, Golden Lane Field, Eddy County, New Mexico, in such a manner as to produce Strawn and Morrow gas through parallel strings of tubing.

CASE 5230: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079 which authorized the commingling of Hobbs Grayburg-San Andres and Hobbs-Blinbry production from its W. D. Grimes "A" and "B" leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Bowers-Seven Rivers production.

CASE 5231: Application of Mesa Petroleum Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Nash Unit Area comprising 5,124 acres, more or less, of State, Federal and fee lands in Township 23 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 5232: Application of Texas Pacific Oil Company, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phantom Draw Unit Area comprising 8,465 acres, more or less, of Federal, State and fee lands in Township 26 South, Range 31 East, Eddy County, New Mexico.

CASE 5233: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Queen formation underlying the SW/4 of Section 29, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its Jenkins Well No. 3 located 760 feet from the South line and 1980 feet from the West line of said Section 29. Also to be considered will be the cost of recompleting and equipping said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in recompleting and equipping said well.

CASE 5234: Application of Atlantic Richfield for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald WN State Wells Nos. 1 and 27 located in Units L and O, respectively, of said Section 14.

CASE 5235: Application of Atlantic Richfield Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 9, Township 21 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, and pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of said Section 9 to form a standard 320-acre unit to be dedicated to a well to be drilled at a standard location for said unit, if it is determined that said Section 9 should be developed on 320-acre spacing. Applicant further seeks a provision in said order that would pool all mineral interests in the Pennsylvanian formation underlying all of said Section 9 to form a standard 640-acre unit to be dedicated to a well to be drilled at a standard location for said unit if it is determined that said Section 9 should be developed on 640-acre spacing. Also to be considered will be the cost of drilling and completing said well, or wells, and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well, or wells, and a charge for risk involved in drilling said well, or wells.

CASE 5236: Application of Atlantic Richfield Company for five unorthodox oil well locations and an administrative procedure, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of five oil wells in the Horseshoe-Gallup Oil Pool in Township 31 North, Range 16 West, San Juan County, New Mexico, to be drilled at the following points:

Examiner Hearing - Wednesday - May 8, 1974

Dockets Nos. 12-74 and 13-74

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(w) Extend the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

CASE 5208: (Continued from the April 25, 1974, Examiner Hearing)

Application of S. P. Yates for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Order No. R-3221, as amended, authority to dispose of produced salt water in an unlined surface pit on its Federal LC 065598 lease in the SW/4 SW/4 of Section 4, and the NE/4 of Section 5, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

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Docket No. 13-74

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 15, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for June, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1974.

- (g) Extend the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 11: N/2

- (h) Extend the Crossroads-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
Section 26: NE/4

- (i) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: SE/4

- (j) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 10: NE/4

- (k) Extend the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 31: All  
Section 32: All

- (l) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 12: NW/4

- (m) Extend the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 17: E/2

- (n) Extend the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM  
Section 7: E/2  
Section 8: SW/4



- (o) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 26: NW/4 SE/4

- (p) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 1: NE/4

- (q) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 13: NE/4

- (r) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 26: NE/4

- (s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM  
Section 12: N/2

- (t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section : All

- (u) Extend the Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 13: E/2

- (v) Extend the Winchester-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

(Case 5236 continued from Page 1.)

1975 feet from the North line and 890 feet from the West line of Section 28; 150 feet from the North line and 1375 feet from the East line of Section 33; 2580 feet from the South line and 295 feet from the West line of Section 35; 2605 feet from the North line and 2580 feet from the East line of Section 32; and 2540 feet from the South line and 2570 feet from the East line of Section 30.

Applicant further seeks an administrative procedure for the approval without notice and hearing of additional unorthodox locations for infill wells to be drilled within the Atlantic Horseshoe-Gallup Unit Area.

CASE 5237: Application of General American Oil Company of Texas for sixteen unorthodox oil well locations and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of sixteen oil wells in the Grayburg-Jackson Pool, Eddy County, New Mexico, to be drilled at the following points: 1295 feet from the South line and 1345 feet from the East line of Section 13; 1345 feet from the North line and 25 feet from the East line, 1295 feet from the North line and 2615 feet from the East line, 1295 feet from the North and East lines, 1295 feet from the South line and 2615 feet from the West line, 1345 feet from the South line and 25 feet from the East line, and 2615 feet from the South line and 1345 feet from the East line of Section 23; 1345 feet from the North and West lines, 2615 feet from the South line and 25 feet from the West line, 2615 feet from the South line and 1295 feet from the West line, 2615 feet from the South and West lines, 1345 feet from the South line and 2615 feet from the East line, and 1295 feet from the South line and 1345 feet from the West line of Section 24; and 25 feet from the North line and 2615 feet from the East line of Section 26, all in Township 17 South, Range 29 East, and 1295 feet from the North line and 2665 feet from the East line and 25 feet from the North line and 2615 feet from the East line of Section 30, Township 17 South, Range 30 East.

Applicant further seeks the adoption of an administrative procedure whereby additional infill wells at unorthodox locations could be drilled on its leases in this area without notice and hearing.

CASE 5238: Application of Yates Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the indicated perforated interval of the following wells in Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico: from 1286 feet to 1456 feet in its Federal BZ Well No. 6 located in Unit N of Section 21; from 1270 feet to 1440 feet in its Ingram Jackson BV Well No. 2 located in Unit D of Section 26; and from 1295 feet to 1372 feet in its Gissler AV Well No. 1 located in Unit C of Section 23. Applicant further seeks an administrative procedure for approval of additional salt water disposal into the San Andres formation in the subject pool without notice and hearing.

CASE 5239: Southeastern nomenclature case calling for the creation and extension of certain pools in Lea and Eddy Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Ojo Chiso-Morrow Gas Pool. The discovery well is the Brunson & McKnight, Inc. Ojo Chiso Unit Well No. 1 located in Unit E of Section 23, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 23: W/2

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Washington Ranch-Delaware Gas Pool. The discovery well is the Black River Corporation BR 4 Federal Well No. 3 located in Unit H of Section 4, Township 26 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM  
Section 4: NE/4

(c) Extend the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 1: All  
Section 2: E/2  
Section 12: All

(d) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 12: W/2

(e) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 27: S/2  
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 7: All  
Section 11: All

(f) Extend the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 35: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 11: All

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>McDonald State WN</b>		Well No. <b>27</b>
Unit Letter <b>0</b>	Section <b>14</b>	Township <b>22-S</b>	Range <b>36-E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>2310</b> feet from the <b>East</b> line					
Ground Level Elev.	Producing Formation <b>Yates</b>		Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>320</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?

☐ Yes ☐ No 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.

**R-36-E**

<p><b>BEFORE EXAMINER STAMETS</b> <b>OIL CONSERVATION COMMISSION</b> EXHIBIT NO. <b>2</b> CASE NO. <b>5234</b> Submitted by <b>Atlantic Richfield Co.</b> Hearing Date <b>May 8, 1974</b></p>	<p><b>14</b></p>	<p><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>C. R. Leggott, Jr.</i></p> <p>Name <b>C. R. Leggott, Jr.</b></p> <p>Position <b>Senior Engineer</b></p> <p>Company <b>Atlantic Richfield Co.</b></p> <p>Date <b>April 9, 1974</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field 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.</p> <p>Date Surveyed _____</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>Exhibit # <b>2</b></p> <p>Certificate No. _____</p>
		<p><b>T 22 S</b></p>

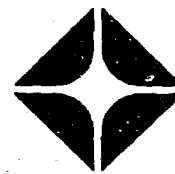
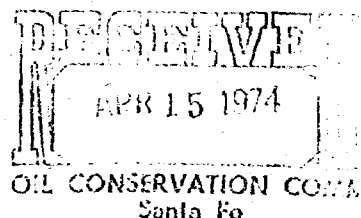
AtlanticRichfieldCompany

Legal Division  
Post Office Box 2819  
Dallas, Texas 75221  
Telephone 214 651 4873

Duncan W. Holt, Jr.  
Attorney

April 11, 1974

Oil Conservation Commission  
P. O. Box 1088  
Santa Fe, New Mexico 87501



*Check 5-234*

Re: Application of Atlantic Richfield Company  
for a Non-Standard Gas Proration Unit and  
Simultaneous Dedication of Acreage,  
Jalmat Pool, Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the above matter and request that it be set for hearing before an examiner at Santa Fe. We would appreciate the hearing being set on the May 8, 1974 docket.

The offset operators are Continental Oil Company, P. O. Box 460, Hobbs, New Mexico 88240, Marathon Oil Company, Midland, Texas 79701, and Sun Oil Company, P. O. Box 1861, Midland, Texas 79701. Each has been furnished a copy of the application.

By application dated March 18, 1974, Atlantic Richfield Company requested approval for a 320-acre non-standard Jalmat Gas proration unit comprising the N/2 of Section 25-22S-36E, Lea County, to be dedicated to the proposed McDonald State NW No. 24. Such application has been docketed for hearing on April 25, 1974. It is respectfully requested that such hearing be continued until May 8 in order that it may be heard on the same day as the application now being filed.

Very truly yours,

*Duncan W. Holt, Jr.*  
Duncan W. Holt, Jr.

DWH:in

Enclosures

cc: Mr. Clarence E. Hinkle

DOCKET MAILED

Date 4-25-74

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT AND  
SIMULTANEOUS DEDICATION OF ACREAGE,  
JALMAT POOL, LEA COUNTY, NEW MEXICO

CASE NO 5234

Atlantic Richfield Company hereby makes application to the Commission for an order amending existing rules or orders of the Commission pertaining to certain gas proration units to permit a non-standard gas proration unit and the simultaneous dedication of the acreage to certain wells thereon and in support thereof would show:

1.

Atlantic Richfield Company is the operator of the acreage hereinafter described and the wells located thereon and hereinafter mentioned which are completed in the Jalmat Gas Pool and that certain of said wells are marginal as will be shown upon hearing hereof.

2.

Applicant hereby seeks an order to permit a non-standard 320-acre Jalmat gas proration unit, comprising the S/2 of Section 14, Township 22 South, Range 36 East, Lea County, New Mexico, to be simultaneously dedicated to the McDonald WN Wells No. 27 and No. 1, with the allowable to be produced from either well in any proportion.

Attached is a map of the proposed proration unit.


3.

That the subject gas proration unit can be efficiently and economically drained and developed from the respective wells located thereon.

4.

That because of the marginal status of certain of the wells on the proposed proration unit, approval of this 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.

WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before an examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving this application for said proposed gas proration unit.

  
Duncan W. Holt, Jr.  
P. O. Box 2819, Dallas, Texas 75221

Clarence E. Hinkle  
Hinkle, Bondurant, Cox & Eaton  
P. O. Box 10, Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT  
ATLANTIC RICHFIELD COMPANY



**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>		Lease <b>McDonald State WN</b>		Well No. <b>1</b>
Unit Letter <b>L</b>	Section <b>14</b>	Township <b>22-S</b>	Range <b>36-E</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>West</b> line and <b>1980</b> feet from the <b>South</b> line				
Ground Level Elev. <b>3543' D.F.</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>320</b> Acres	

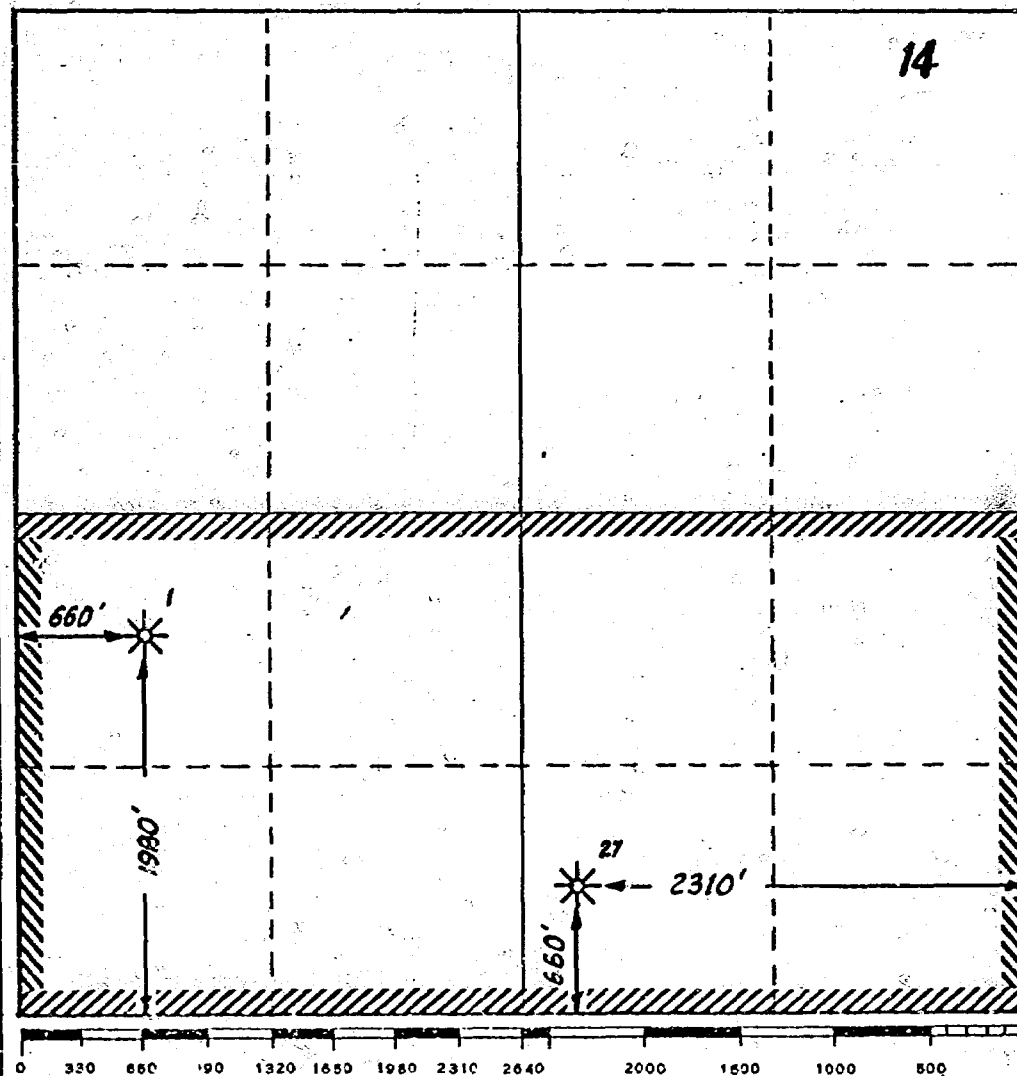
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No 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.

**R-36-E**



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*C. R. Leggott Jr.*

Name

**C. R. Leggott, Jr.**

Position

**Senior Engineer**

Company

**Atlantic Richfield Co.**

Date

**April 9, 1974**

I hereby certify that the well location shown on this plat was plotted from field 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

Registered Professional Engineer  
and/or Land Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator <b>Atlantic Richfield Company</b>			Lease <b>McDonald State WN</b>		Well No. <b>27</b>
Unit Letter <b>O</b>	Section <b>14</b>	Township <b>22-S</b>	Range <b>36-E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>2310</b> feet from the <b>East</b> line					
Ground Level Elev. <b>1</b>	Producing Formation <b>Yates</b>		Pool <b>Jalmat Gas</b>	Dedicated Acreage: <b>320</b> Acres	

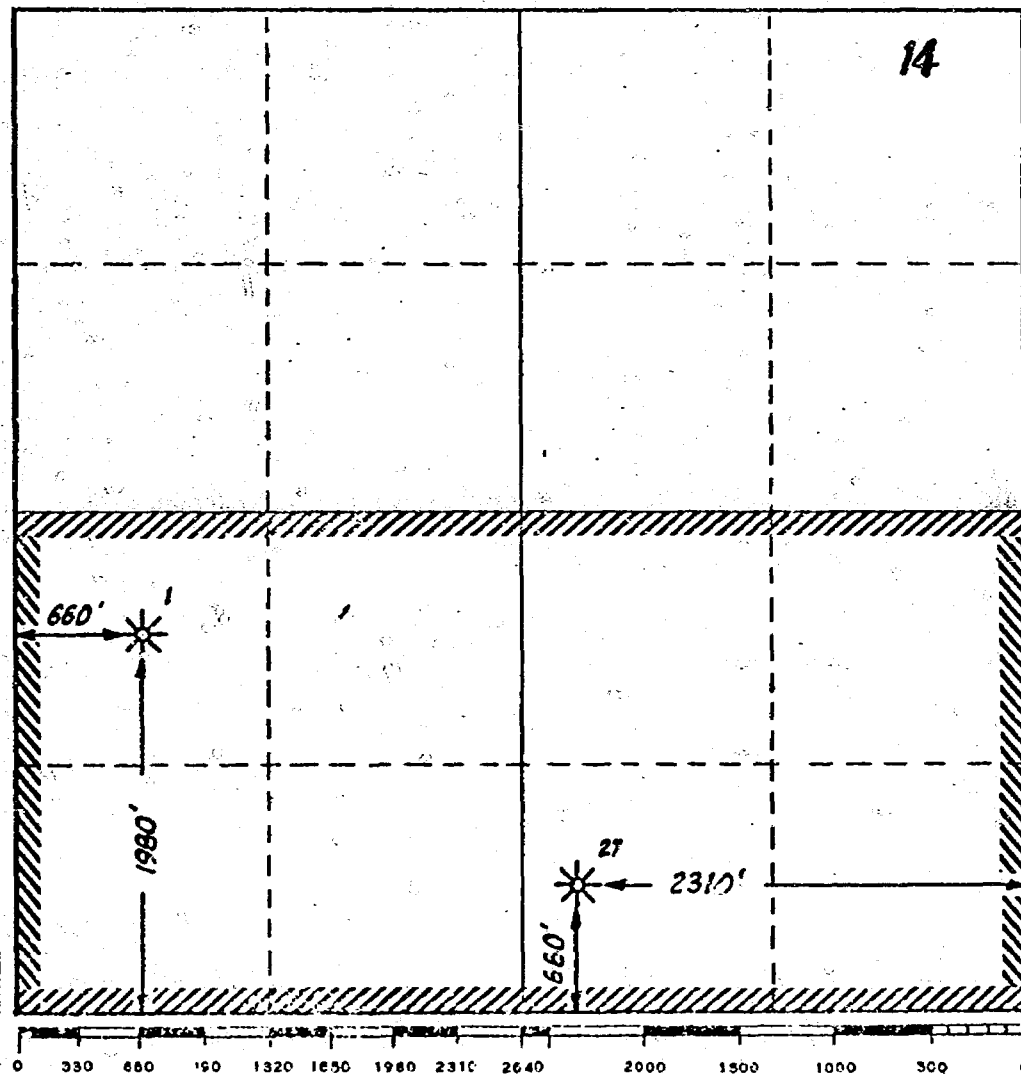
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No 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.

**R-36-E**



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*C. R. Leggott, Jr.*  
Name

C. R. Leggott, Jr.

Position

Senior Engineer

Company

Atlantic Richfield Co.

Date

April 9, 1974

I hereby certify that the well location shown on this plat was plotted from field 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

Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

DRAFT.

jr/

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. 5234

Order No. R-4795

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR A NON-STANDARD GAS PRORATION  
UNIT AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this        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, Atlantic Richfield Company, seeks  
approval of a 320-acre non-standard gas proration unit comprising  
the S/2 of Section 14, Township 22 South, Range 36 East, NMPM,  
Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously  
dedicated to its McDonald WN State Wells Nos. 1 and 27 located  
in Units L and O, respectively, of said Section 14, with unit  
production to be taken from said wells in any proportion.

-2-

CASE NO. 5234

Order No. R--

(3) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(4) That the entire S/2 of said Section 14 may reasonably be presumed productive of gas from the Jalmat Gas Pool.

(5) 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 effective at 7:00 a.m. June 1, 1974, the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate its non-standard 320-acre gas proration unit comprising the S/2 of Section 14, Township 22 South, Range 36 East, NMPM Jalmat Gas Pool, Lea County, New Mexico, to its McDonald WN State Wells Nos. 1 and 27, located in Units L and O, respectively, of said Section 14 with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based on the unit size of 320 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(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 herein-above designated.