

*Entered March 4, 1968*  
*C.L.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. 3725  
Order No. R-1866-A

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR TWO NON-STANDARD GAS PRORATION UNITS  
AND AN UNORTHODOX GAS WELL LOCATION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 28, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of March, 1968, 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 B-1 Lease consisting of the E/2 and NE/4 NW/4 of Section 1, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That by Order No. R-1866, dated February 8, 1961, the Commission approved, among others, a 360-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the acreage in said Wells B-1 Lease to be dedicated to the applicant's Wells B-1 Well No. 1, located 660 feet from the North line and 660 feet from the East line of said Section 1.

(4) That the applicant now seeks approval for the rededication of the above-described acreage to form two non-standard gas

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proration units in the Jalmat Gas Pool as follows:

1. A 160-acre non-standard gas proration unit comprising the E/2 E/2 of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to its Wells B-1 Well No. 1, located 660 feet from the North line and 660 feet from the East line of said Section 1.
2. A 200-acre non-standard gas proration unit comprising the W/2 E/2 and NE/4 NW/4 of said Section 1 to be dedicated to its Wells B-1 Well No. 3, located at an unorthodox location for the Jalmat Gas Pool 660 feet from the North line and 1650 feet from the West line of said Section 1.

(5) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, the afore-said non-standard gas proration unit presently dedicated to the Continental Oil Company Wells B-1 Well No. 1 should be abolished and the non-standard gas proration units created and dedicated as requested by the applicant.

(7) That Order No. R-1866 should be amended by deleting therefrom the non-standard gas proration unit described in Finding (3) herein.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Jalmat Gas Pool are hereby established:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM

1. A 160-acre non-standard gas proration unit comprising the E/2 E/2 of Section 1 to be

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dedicated to the Continental Oil Company Wells B-1 Well No. 1, located 660 feet from the North line and 660 feet from the East line of said Section 1.

2. A 200-acre non-standard gas proration unit comprising the W/2 E/2 and NE/4 NW/4 of Section 1 to be dedicated to the Continental Oil Company Wells B-1 Well No. 3, located 660 feet from the North line and 1650 feet from the West line of said Section 1.

(2) That an unorthodox location in the Jalmat Gas Pool is hereby approved for the Continental Oil Company Wells B-1 Well No. 3 located 660 feet from the North line and 1650 feet from the West line of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That each of the above-described gas wells is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in its non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, subject to the provisions of the Special Rules and Regulations for said pool.

(4) That Order No. R-1866 is hereby amended by deletion therefrom of the following-described non-standard gas proration unit:

A 360-acre non-standard gas proration unit consisting of the E/2 and NE/4 NW/4 of Section 1, Township 25 South, Range 36 East, to be dedicated to the Wells B-1 Well No. 1, located in the center of the NE/4 NE/4 of said Section 1;

and that said Order No. R-1866 shall, in all other respects, remain the same.

(5) 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

DAVID F. CARGO, Chairman

  
CLAYTON B. HAYS, Member

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

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