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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 PRO-RATION 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 nonstandard 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

B. HAYS. Member

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

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