

Entered September 3, 1969
A.H.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. 4196
Order No. R-3832

APPLICATION OF CONTINENTAL OIL 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 August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1969, 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 Stevens "B" Lease, which, in addition to other lands, consists of the W/2 and NW/4 NE/4 of Section 18, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant has heretofore drilled and completed in the Jalmat Gas Pool on the aforesaid acreage its Stevens "B-18" Well No. 1, its Stevens "B" Well No. 15, and its Stevens "B" Well No. 16, located in Units B, F, and K, respectively, of said Section 18, and the aforesaid acreage, at various times, has been dedicated to said wells in various proportions.
- (4) That the applicant now seeks the consolidation of the presently existing non-standard gas proration units into one

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360-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the W/2 and NW/4 NE/4 of said Section 18, to be simultaneously dedicated to the aforesaid Stevens "B" Wells Nos. 15 and 16.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Stevens "B" Wells Nos. 15 and 16.

(7) 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, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Administrative Order NSP-566 which created a 320-acre non-standard unit comprising the W/2 of the aforesaid Section 18 should be superseded, and the 160-acre non-standard unit comprising the NE/4 of said Section 18 should be abolished.

IT IS THEREFORE ORDERED:

(1) That, effective September 1, 1969, a 360-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the W/2 and NW/4 NE/4 of Section 18, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Stevens "B" Wells Nos. 15 and 16, located in Units F and K, respectively, of said Section 18.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 360 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that the status of said consolidated unit shall be the combined status, as of September 1, 1969, of the units being consolidated.

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(3) That Administrative Order NSP-566 which created the 320-acre non-standard unit comprising the W/2 of the aforesaid Section 18 is hereby superseded, and the 160-acre non-standard unit comprising the NE/4 of said Section 18 is hereby abolished.

(4) 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

ALEX J. ARMIJO, Member

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

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