

*Entered November 23, 1970
R.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. 4460
Order No. R-4064

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 9:30 a.m. on November 18, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 23rd day of November, 1970, 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 Meyer B-23 Lease consisting of the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant has heretofore drilled and completed as Jalmat gas wells its Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23.

(4) That by Order No. R-2093, dated October 13, 1961, the Commission approved a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 and E/2 NE/4 of said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 2; that by Order No. R-2092, dated October 13, 1961, the

-2-

CASE No. 4460

Order No. R-4064

Commission approved a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NW/4 and W/2 NE/4 of said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 3; and that the aforesaid Meyer B-23 Well No. 1 was shut in concurrently with the approval of said orders.

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of said Section 23, to be simultaneously dedicated to the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

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

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

(8) 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.

(9) That Orders Nos. R-2092 and R-2093 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1970, a 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 480 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that

-3-

CASE No. 4460

Order No. R-4064

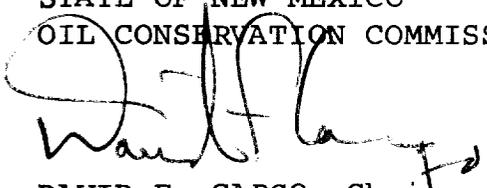
the status of said consolidated unit shall be the combined status as of October 31, 1970, of the two units being consolidated.

(3) That Orders Nos. R-2092 and R-2093 are hereby superseded.

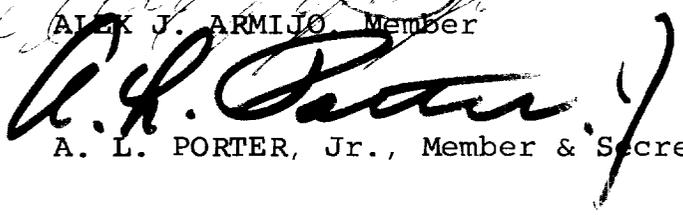
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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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