

*Entered May 10, 1971
H.S.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. 4534
Order No. R-4142

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 April 28, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of May, 1971, 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 owner and operator of the Wantz Lease which, in addition to other lands, consists of the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order NSP-629, the Commission approved a 40-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the SW/4 SE/4 of said Section 21 to be dedicated to the applicant's Wantz Well No. 8.

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(4) That by Administrative Order NSP-633, the Commission approved a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NW/4 SW/4 and E/2 SW/4 of Section 21 to be dedicated to the applicant's Wantz Well No. 11.

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of said Section 21, to be simultaneously dedicated to its Wantz Wells Nos. 8 and 11.

(6) That the applicant further seeks authority to produce the allowable assigned to the unit from either 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 Wantz Wells Nos. 8 and 11.

(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 Blinebry 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 Administrative Orders NSP-629 and NSP-633 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective as of April 1, 1971, a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Wantz Wells Nos. 8 and 11, located, respectively, in Units O and L of said Section 21.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 160 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

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(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of April 1, 1971, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of April 1, 1971, of the two individual units being consolidated.

(5) That Administrative Orders NSP-629 and NSP-633 are hereby superseded.

(6) 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



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

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