

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 632
Order No. R-429

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-368-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF APPROXIMATELY 160
CONTIGUOUS ACRES CONSISTING OF THE
WEST HALF OF THE WEST HALF OF SECTION
19, TOWNSHIP 25 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN
THE JALCO GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on January 20, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-368-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Continental Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
W/2 of W/2 of Section 19

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containing approximately 160 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as Sholes 19 Unit, Well No. 1, located 2340' from the South line and 300' from the West line of Section 19, Township 25 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 19, Township 25 South, Range 37 East, NMPM, owned by the applicant inasmuch as royalty interests are diverse and equities already established would be disrupted.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalco Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
W/2 of W/2 of Section 19

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Sholes 19 Unit, No. 1, located in the NW/4 SW/4 of Section 19, Township 25 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman
E. S. WALKER, Member
R. R. SPURRIER, Secretary and Member

(S E A L)