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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

> CASE NO. 5368 Order No. R-4929

> > NOMENCLATURE

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE CONTRACTION OF THE VERTICAL LIMITS OF THE JALMAT GAS POOL UNDERLYING ALL OR PORTIONS OF SECTIONS 31 AND 32, TOWNSHIP 24 SOUTH, RANGE 37 EAST, AND SECTIONS 4, 5, 6, 8, 9 AND 17, TOWNSHIP 25 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO, AND THE EXTEN-SION OF THE VERTICAL LIMITS OF THE LANGLIE MATTIX POOL UNDERLYING THE SAME AREA.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 26, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>3rd</u> day of December, 1974, 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 vertical limits of the Jalmat Gas Pool, Lea County, New Mexico, as previously designated and defined by the Commission, comprise the Tansill and Yates formations, and all but the lowermost 100 feet of the Seven Rivers formation.

(3) That the vertical limits of the Langlie-Mattix Oil Pool, as previously designated and defined by the Commission, comprise the lowermost 100 feet of the Seven Rivers formation and all of the Queen and Grayburg formations.

(4) That the unitized formations in the Langlie-Jal Unit Area, as approved by Commission Order No. R-4036, comprise the Seven Rivers and Queen formations.

(5) That the horizontal limits of said Langlie-Jal Unit Area comprise the following described lands:

LEA COUNTY, NEW MEXICO TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM Section 31: Lots 2, 3, and 4 and SE/4 NW/4, E/2 SW/4, and E/2 Section 32: All -2-CASE NO. 5368 Order No. R-4929

> TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM Section 4: Lots 2, 3, and 4 and S/2 NW/4, SW/4 NE/4, and W/2 SW/4 Section 5: All Section 6: All Section 8: E/2 and NW/4 Section 9: W/2 W/2 Section 17: E/2

(6) That the Seven Rivers formation underlying said unit area is for the most part oil-saturated, and there are recoverable oil reserves in said interval and area.

(7) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying the Langlie-Jal Unit Area pursuant to authority of Order No. R-4051.

(8) That to increase the efficiency of said secondary recovery operations, the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(9) That the contraction of the vertical limits of the Jalmat Gas Pool to exclude all of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include all of the Seven Rivers formation therein, within the horizontal limits of the Langlie-Jal Unit Area as set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery projects, will prevent waste, will not violate correlative rights, and should be approved.

(10) That there are at least two gas wells completed in the Yates formation of the Jalmat Gas Pool which have perforated or open-hole intervals extending into the uppermost portion of the Seven Rivers formation, these wells being the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole producing interval being from 2852 feet to 3187 feet, the lowermost 42 feet of which is in the Seven Rivers formation, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval being from 3100 feet to 3195 feet, the lowermost 30 feet of which is in the Seven Rivers formation.

(11) That an exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order should be given to the wells described in Finding No. (10) above for the producing intervals as described. -3-CASE NO. 5368 Order No. R-4929

(12) That the Secretary-Director of the Commission should have authority to grant administrative exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order should it be found that there are other Jalmat Gas wells the producing interval of which similarly extend into the Seven Rivers formation. -----

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM Section 31: Lots 2, 3, and 4 and SE/4 NW/4, E/2 SW/4, and E/2Section 32: A11 TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM Section 4: Lots 2, 3, and 4 and S/2 NW/4, SW/4 NE/4, and W/2 SW/4 Section 5: A11 Section 6: Section 8: A11 E/2 and NW/4W/2 W/2 Section 9: Section 17: E/2

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the Seven Rivers, Queen, and Grayburg formations.

(4) That the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole interval of which is 2852 feet to 3187 feet, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval of which is 3100 feet to 3195 feet, both of which are classified as Jalmat Gas Wells, are each hereby granted an exception to the vertical limits of the Jalmat Gas Pool for that portion of the producing interval which is currently open in the Seven Rivers formation.

(5) That the Secretary-Director of the Commission is hereby authorized to approve an exception to the vertical limits of the Jalmat Gas Pool for any other well classified as a Jalmat Gas Well which may prove to have, on the effective date of this order, a portion of its producing interval open to the Seven Rivers formation. -4-CASE NO. 5368 Order No. R-4929

(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

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I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member utu. L. PORTER, Jr., Member & Secretary A.

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