

Entered September 6, 1977
JEL

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. 6007
Order No. R-5523

APPLICATION OF GULF ENERGY AND MINERALS
COMPANY FOR A NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND UNORTHODOX
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 1977, 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, Gulf Energy and Minerals Company, seeks approval of a 600-acre non-standard gas proration unit comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, NMPM, to be dedicated to its J. F. Janda Wells No. 7, located in Unit K, and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-2-

Case No. 6007
Order No. R-5523

(5) That Order No. R-4288, which previously approved the subject 600-acre non-standard proration unit for dedication to Wells Nos. 7 and 13 only, should be superseded.

IT IS THEREFORE ORDERED:

(1) That a 600-acre non-standard gas proration unit in the Jalmat Gas Pool comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to its J. F. Janda Wells No. 7 located in Unit K and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

(2) That Commission Order No. R-4288, dated April 17, 1972, is hereby superseded.

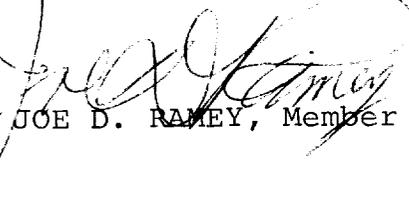
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/