

Entered March 7, 1956

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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. 991
Order No. R-756

THE APPLICATION OF STANOLIND OIL
AND GAS COMPANY FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS OF
THE JALMAT GAS POOL AS SET FORTH
IN ORDER NO. R-520 IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION UNIT
OF 200 CONTIGUOUS ACRES IN LEA COUNTY,
NEW MEXICO CONSISTING OF E/2 E/2 AND
NW/4 NE/4 SECTION 16, TOWNSHIP 24
SOUTH, RANGE 37 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
January 19, 1956, at Santa Fe, New Mexico before the Oil Con-
servation Commission, hereinafter referred to as the "Commission".

NOW, on this 23rd day of February 1956, the Com-
mission, 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 5 (a) of the
Special Rules and Regulations of the Jalmat Gas Pool, as set forth
in Order No. R-520, the Commission has power and authority to
permit the formation of a gas proration unit consisting of other
than a legal section after notice and hearing by the Commission.

(3) That applicant, Stanolind Oil and Gas Company and
the Humble Oil and Refining Company, are the owners of oil and gas
leases in Lea County, New Mexico, the land consisting of other than
a legal section, and described as follows, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 16: E/2 E/2 & NW/4 NE/4

containing 200 acres more or less.

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(4) That applicant Stanolind Oil and Gas Company owns working interests in the NW/4 NE/4 and SE/4 SE/4 of said Section 16, and are in the process of entering into a farmout agreement with Humble Oil and Refining Company, owners of the working interest of the E/2 NE/4 and NE/4 SE/4 of said Section 16. Stanolind will be the operator under the proposed agreement.

(5) That applicant, Stanolind Oil and Gas Company has a producing well on the aforesaid lease known as State "D" Tract 14 Well No. 1, located 660 feet from the South line and 660 feet from the East line of Section 16, Township 24 South, Range 37 East.

(6) That applicant proposes the aforesaid well be recompleted in the Jalmat Gas Pool.

(7) That at present the proposed unit is not within the horizontal limits of the Jalmat Gas Pool but is within one mile of the boundary of said gas pool.

(8) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 200 acres.

(9) 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 Jalmat Gas Pool.

(10) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Stanolind Oil and Gas Company for approval of a non-standard proration unit consisting of the following described acreage in the Jalmat Gas Pool:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 16: E/2 E/2 and NW/4 NE/4

be and the same is hereby approved, and a proration unit consisting of aforesaid 200 acres is hereby created.

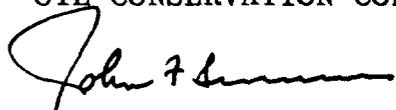
(2) That applicant's well, State "D" Tract 14 Well No. 1, to be recompleted in the Jalmat Gas Pool, shall be granted an allowable in the proportion that the above described 200 acre unit bears to the standard proration unit for said pool. Said allowable will become effective on the date: (1) an affidavit as to the consumation of the proposed farmout agreement between applicant and Humble Oil and Refining Company is filed with the Commission at its Hobbs, New Mexico office and a copy of said affidavit is filed at the Commission's Santa Fe, New Mexico office, or (2) the well is connected to a gas transportation facility, or

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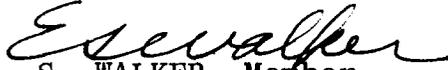
(3) the operator complies with the pool rules of the Jalmat Gas Pool, whichever date is later.

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

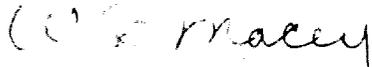
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

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