

MAIN OFFICE *Western Natural Gas Company*

1960 OCT 13 AM 9:20

823 MIDLAND TOWER BLDG.

Midland, Texas

October 10, 1960

NSP *Nov 13.* *535*
NSL *233*
(waiting period)
- AMENDED -

Re: Application for 160 Acre
Non-Standard Gas Proration Unit
and Unorthodox location for the
King #1 well, Jalmat Gas Pool,
comprising the SW/4 of Sec. 12,
located 990 feet from the West
line and 2310 feet from the South
line, T-23-S, R-36-E

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Western Natural Gas Company makes application for Administrative
approval for the following purposes:

- A. To authorize for its King #1 well, Jalmat Gas Pool,
a 160 acre non-standard gas proration unit compris-
ing the SW/4 of Section 12, T-23-S, R-36-E, Lea
County, New Mexico.
- B. To authorize an unorthodox Jalmat Gas well location
for the said King #1 well located 990 feet from the
West line and 2310 feet from the South line of Sec-
tion 12, T-23-S, R-36-E, Lea County, New Mexico, and
in support thereof states the following facts:
 1. Western Natural Gas Company is the
operator of an oil and gas lease known
as its E. F. King lease, Lea County,
New Mexico, as shown on the enclosed
plat.

2. Western Natural Gas Company proposes that the above described acreage be established as a non-standard 160-acre gas proration unit in exception to Rule 5 (a) of Order R-520.
3. The E. F. King well #1, located 2310' from the South line and 990 feet from the West line of Section 12, T-23-S, R-36-E, Lea County, New Mexico, was originally completed April 18, 1947. When Rule 520 became effective in 1954 this well exceeded the vertical limits of the Jalmat Gas pool and was designated as a gas well in the Langlie-Mattix Oil pool. This well has been deepened, a 5" OD liner cemented from 2918 to 3672', and dually completed as Jalmat Gas (Yates) and Langlie Mattix Oil (Queen). The applicant proposes to use this well as the unit well.
4. The proposed non-standard gas proration unit will meet the requirements of Rule 5 (b) of the Oil Conservation Commission Order R-520 as follows:
 - (a) Contiguous quarter-quarter sections will comprise the unit.
 - (b) The proposed unit lies wholly within a single governmental section.
 - (c) The entire non-standard gas proration unit may reasonably be assumed to be productive of gas.
 - (d) The length or width of the non-standard gas proration unit does not exceed 5280 feet.

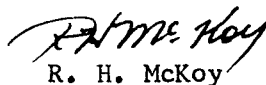
- (e) Western Natural Gas Company is the lessee and operator of the N/2 of SW/4 and by 'Agreement to Allocate Acreage' between Continental, Standard of Texas, Atlantic and Pan American dated December 31, 1951, is the operator of the S/2 of SW/4 Section 12, T-23-S, R-36-E. The proposed unit is shown on the enclosed plat, and by copy of this letter of application, all operators owning interests in this section, and all operators within 1500 feet of the proposed unit well are notified by certified mail of the intent of Western Natural Gas Company to form the proposed non-standard gas proration unit.

5. The approval of this application will, in the opinion of the applicant, prevent waste, protect correlative rights and serve the best interest of conservation.

In view of the existence of the facts herein stated, and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission's Order No. R-520, Western Natural Gas Company requests that the Secretary of the Commission approve the above described non-standard gas proration unit and unorthodox location.

Respectfully submitted,

WESTERN NATURAL GAS COMPANY



R. H. McKoy
Division Superintendent

RHM:jh

cc: Paul Wright

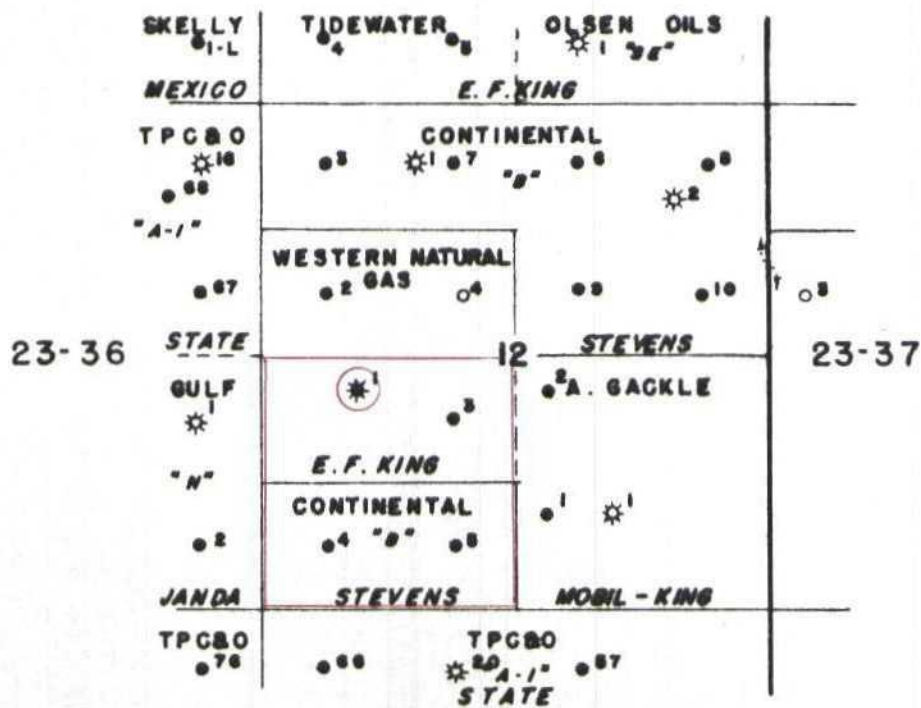
Continental Oil Co., 825 Pet. Bldg., Roswell, New Mexico
Texas-Pacific Coal & Oil Co., P.O. Box 4067, Midland, Texas
Gulf Oil Corp., P.O. Box 669, Roswell, New Mexico
Albert Gackle, 427 Ft. Worth National Bank Bldg., Ft. Worth, Texas
New Mexico Oil Conservation Commission, P.O. Box 2045, Hobbs, N.M.

WESTERN NATURAL GAS COMPANY
ACREAGE DEDICATION FOR KING #1

12-23-36
Lea County, New Mexico

Scale 1" = 2000'

Plat Accompanying Application for
160-Acre Non-Standard Gas Unit
(Jalmat Gas Pool)



NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date 10-10-60

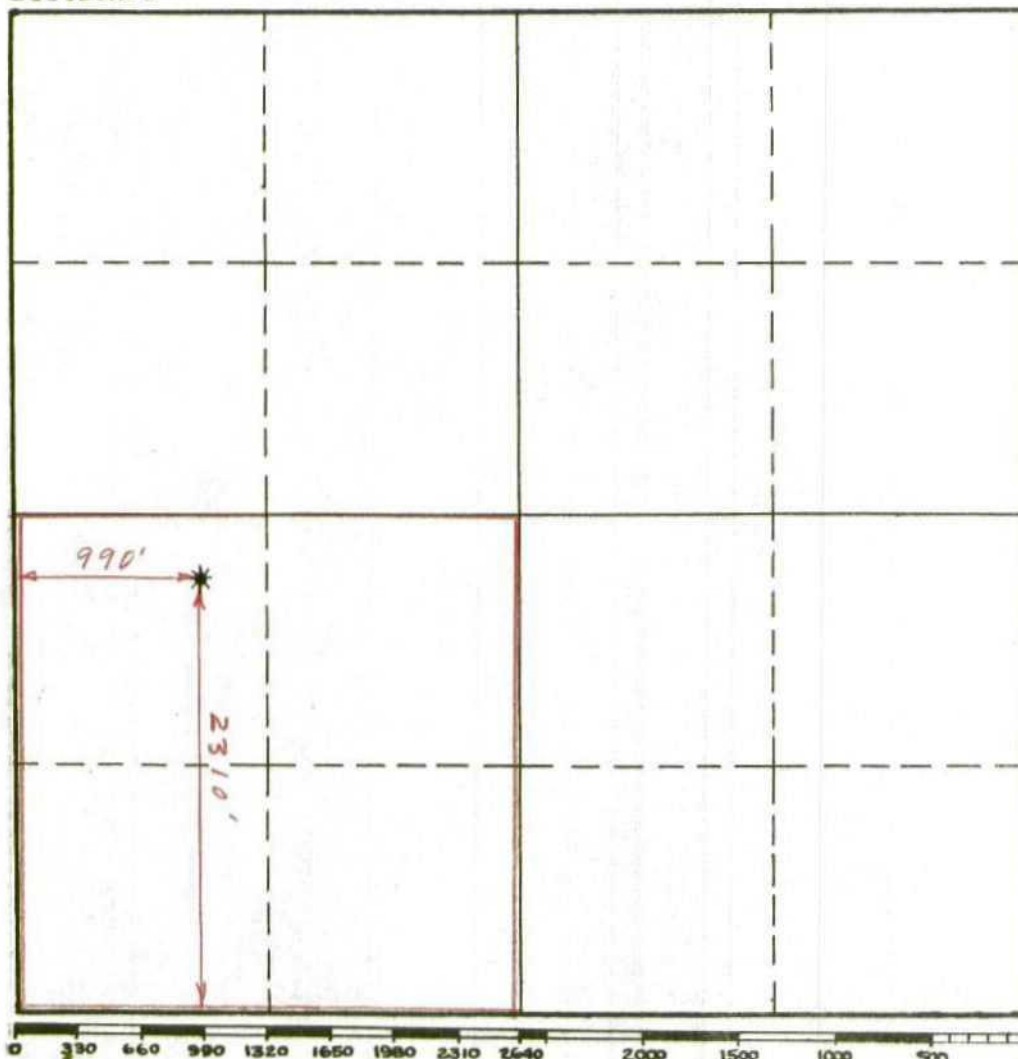
Operator Western Natural Gas Company Lease King
Well No. 1 Unit Letter L Section 12 Township 23-S Range 36-E NMPM
Located 990 Feet From West Line, 2310 Feet From South Line
County Lea G. L. Elevation 3396 Dedicated Acreage 160 Acres
Name of Producing Formation Yates Pool Jalmat Gas

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes x No _____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Western Natural Gas Company
(Operator)
[Signature]
(Representative)

823 Midland Tower, Midland, Tex.
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed March 24, 1947

Company personnel
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. _____

(See instructions for completing this form on the reverse side)

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 9873
Order No. R-9136**

**APPLICATION OF TAHOE ENERGY, INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
NON-STANDARD GAS PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

**This cause came on for hearing at 8:15 a.m. on March 7, 1990,
at Santa Fe, New Mexico, before Examiner David R. Catanach.**

**NOW, on this 21st day of March, 1990, the Division Director,
having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,**

FINDS THAT:

**(1) Due public notice having been given as required by law,
the Division has jurisdiction of this cause and the subject matter
thereof.**

**(2) The applicant, Tahoe Energy, Inc., seeks approval to
redesignate acreage in the Jalmat Gas Pool to form a non-standard
160-acre gas spacing and proration unit comprising the S/2 NW/4
and the N/2 SW/4 of Section 12, Township 23 South, Range 36 East,
NMPM, Lea County, New Mexico, said unit to be simultaneously
dedicated to the existing King Gas Com "WN" Well No. 1 located at
a standard gas well location 2310 feet from the South line and 990
feet from the West line (Unit L) of said Section 12 and to the
proposed Cochise Well No. 1 to be drilled at an unorthodox gas well
location 1980 feet from the North line and 1600 feet from the West
line (Unit F) of said Section 12.**

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(3) According to the evidence presented, the applicant acquired the subject acreage in May, 1989.

(4) Division records indicate that the S/2 NW/4 of said Section 12 was originally included in a 160-acre non-standard Jalmat gas proration unit comprising the NW/4 of said Section 12, said non-standard unit approved by Division Order No. NSP-316, dated August 15, 1956 and dedicated to the Stevens B-12 Well No. 1 located in Unit F of said Section 12, and that the N/2 SW/4 of said Section 12 was originally included in a 160-acre non-standard Jalmat gas proration unit comprising the SW/4 of said Section 12, said non-standard unit approved by Division Order No. NSP-535 dated November 15, 1960 and dedicated to the above-described King Gas Com "WN" Well No. 1.

(5) The Stevens B-12 Well No. 1, previously operated by Conoco Inc., was plugged and abandoned in November, 1989, thereby in effect terminating Division Order No. NSP-316.

(6) Conoco Inc., the owner of the S/2 SW/4 of said Section 12, did not appear at the hearing in opposition to the proposed non-standard proration unit nor to the exclusion therefrom of the above-described S/2 SW/4 of said Section 12.

(7) At the time of the hearing, the applicant testified that the location for the proposed Cochise Well No. 1, which was advertised in this case as being 1980 feet from the North line and 1600 feet from the West line (Unit F) of said Section 12, has subsequently been relocated to 2000 feet from the North line and 1500 feet from the West line (Unit F) of said Section 12 due to topographic restrictions.

(8) The new location for the proposed Cochise Well No. 1 is more unorthodox with respect to the 330 foot setback requirement for the interior quarter-quarter section lines; however said location is standard with respect to the 660 foot setback requirement for the outer boundary of the proration unit and should not adversely affect the correlative rights of offset operators.

(9) The entire proposed non-standard gas proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid King Gas Com "WN" Well No. 1 and Cochise Well No. 1.

(10) No offset operator appeared or objected to the proposed non-standard gas proration unit, unorthodox gas well location and simultaneous dedication.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat 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.

(12) For purposes of assigning a gas allowable in the Jalmat Gas Pool, the subject proration unit should be assigned an acreage factor of 1.0.

(13) Division Order No. NSP-535 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 160-acre gas spacing and proration unit in the Jalmat Gas Pool comprising the S/2 NW/4 and the N/2 SW/4 of Section 12, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the existing King Gas Com "WN" Well No. 1 located at a standard gas well location 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 12 and to the Cochise Well No. 1 to be drilled at an unorthodox gas well location 2000 feet from the North line and 1500 feet from the West line (Unit F) of said Section 12, which location is also hereby approved.

(2) Division Order No. NSP-535 is hereby superseded by this order.

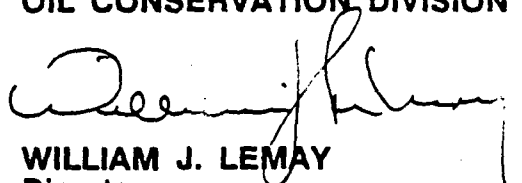
(3) For purposes of assigning a gas allowable in the Jalmat Gas Pool, the subject proration unit shall be assigned an acreage factor of 1.0.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

1960 OCT 20 AM 8:11

BOX 2045

HOBBS, NEW MEXICO

DATE Oct. 18, 1960

Re: Proposed NSP 535

Proposed NSL 233

Proposed NFC. _____

Proposed DC _____

Gentlemen:

I have examined the application dated _____
for the Western Natural Gas Co. King #1 12-23-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K. --- E.F.E.

O.K. --- J.W.R.

Yours very truly,

~~OIL CONSERVATION COMMISSION~~