

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 582

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION FOR ALL
OPERATORS AND INTERESTED PARTIES IN THE
JALCO GAS POOL TO SHOW CAUSE WHY THE RULES
AND REGULATIONS AS SET OUT IN ORDER R-356,
WITH ANY ESSENTIAL AMENDMENTS, SHOULD
NOT BE PUT INTO EFFECT.

APPLICATION FOR REHEARING

COMES NOW Applicant Texas Pacific Coal & Oil Company and states:

1. Applicant is the owner of gas wells within the exterior limits
of the Jalco Gas Pool and will therefore be affected by Order No. R-368-A.

2. Orders Nos. R-368 and R-368-A are illegal and erroneous in the
following respects, to wit:

(a) The Commission is without authority to issue orders to
show cause as it has done in Order No. R-368 inasmuch as all persons are,
under the provisions of Sec. 69-221, N.M. Statutes 1941 Annotated as amended,
entitled to a hearing before any rule, regulation or order shall be made.

(b) The Commission is without authority to prorate gas
for the sole purpose of protecting correlative rights.

(c) There is no evidence in the record to indicate abuse
of correlative rights or that proration of gas from gas wells will protect
correlative rights.

(d) There is no evidence in the record to establish that
there is waste of gas from gas wells in the Jalco Gas Pool and no evidence
that waste will be prevented by the proration of production of gas from said
gas wells, the only evidence relating to conservation or the prevention of
waste in the record being that there is no waste of gas from gas wells.

(e) There is no evidence in the record to establish that
gas production from gas wells producing from the Jalco Gas Pool exceeds the
reasonable market demand from such source for natural gas of the type produced
or in excess of the capacity of the gas transportation facilities for such
type of natural gas.

(f) Finding of Fact. No. 1 in Order No. R-368 is erroneous,
such records as referred to not being in evidence in the case.

(g) Finding of Fact No. 3 in Order No. R-368 is erroneous in
that at the time of making such finding the Commission had no evidence upon
which to base it.

(h) Finding of Fact No. 5 in Order No. R-368-A is a finding
that the Commission has not, prior to undertaking proration of gas, evaluated
and delineated the actual productive limits of the Jalco Gas Pool which is a
prerequisite of such order.

(i) Orders Nos. R-368 and R-368-A are unreasonable, arbitrary
and capricious and are not based upon substantial evidence before the Commission.

New Mexico Oil Conservation Commission 9 a.m. Mabry Hall, Santa Fe, New Mexico

FIRST: Consideration of the oil allowable for the month of January 1954.

Consideration of the allowable production of gas from nine designated pools in Lea County for the month of January 1954.

NEW CASES

CASE 607: Application of Commission on its own motion for order leading to allocation of oil and the classification of previously designated pools in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico.

CASE 608: Application of Commission on its own motion for order revising Rule 505, Paragraph (b), of the Rules and Regulations (pertaining to proportional factors used in allocating oil allowables).

CASE 609: Stanolind's application for approval of the Welch Unit Agreement covering an area of 18,694.16 acres in Township 25 South, Range 27 East, and Township 26 South, Ranges 26 & 27 East, Eddy County, New Mexico.

CASE 610: Amon G. Carter's application for dual completion of Amon G. Carter, Hill No. 4-M, NE NE 34-23S-37E (gas from Upper Devonian, oil from McKee formation of the Teague Pool).

CASE 611: El Paso Natural Gas Company's application for unorthodox spacing of wells in irregular township: Township 28 N, Range 8 West, San Juan County.

CASE 612: Carroll and Cornell's application for approval of an unorthodox location for their Carroll-Cornell Well No. 13 to be located 1090' from W line and 990' from S line of Section 12, Township 29 North, Range 12 West, San Juan County.

CASE 613: Skelly Oil Company's application for approval of unorthodox gas proration Unit: 80 acres, NE/4 NW/4 and NW/4 NE/4 6-25S-37E, Jalco Gas Pool.

CASE 614: Skelly Oil Company's application for approval of unorthodox gas proration unit: 160 acres, S/2 SE/4 and S/2 SW/4 2-23S-36E, Langmat Gas Pool.

CASE 615: Skelly Oil Company's application for approval of unorthodox gas proration unit: 240 acres, SE/4 and E/2 SW/4 31-24S-37E, Jalco Gas Pool.

CASE 616: Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit: 480 acres, NW/4 and S/2 of 5-22S-36E, Jalco Gas Pool, and for a triple allowable for said unit.

- CASE 617: Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4 Section 21 in Township 23 S, Range 36 E; for extension of Jalco Pool to include S/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Wells No. 3 and No. 6 in SW NW and SE NW, respectively, of 21-23S-36E.
- CASE 618: Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in N/2 NE/4 Section 20 and N/2 NW/4 Section 21 in Township 23 South, Range 36 East; for extension of Jalco Gas Pool to include N/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 well No. 4, NE NW 21-23S-36E.
- CASE 619: Aztec Oil & Gas Company's application for approval of unorthodox gas proration unit: 120 acres, E/2 SW/4 and NW/4 SE/4 27-19S-37E, Eumont Gas Pool.
- CASE 620: Aztec Oil & Gas Company's application for approval of unorthodox gas proration unit: 120 acres, SW/4 NW/4 Section 27 and E/2 NE/4 Section 28 in Township 19 South, Range 37 East, Eumont Gas Pool.
- CASE 621: Aztec Oil & Gas Company's application for approval of unorthodox gas proration unit: 160 acres, W/2 SW/4 of Section 27 and E/2 SE/4 Section 28 in Township 19 South, Range 37 East; Eumont Gas Pool.
- CASE 622: Aztec Oil & Gas Company's application for approval of unorthodox gas proration unit: 40 acres, NE/4 NE/4 10-21S-37E, Blinbry Gas Pool.
- CASE 623: Southern Union Gas Company's application for approval of unorthodox gas proration unit: 120 acres, W/2 NE/4 and SE/4 NE/4 33-19S-37E, Eumont Gas Pool.
- CASE 624: Southern Union Gas Company's application for approval of unorthodox gas proration unit: 120 acres, E/2 SE/4 and NW/4 SE/4 33-19S-37E, Eumont Gas Pool.
- CASE 625: Clark and Christie application for approval of unorthodox gas proration unit: 160 acres, W/2 NE/4 and E/2 NW/4 3-20S-37E, Eumont Gas Pool.
- CASE 626: Bert Fields' application for approval of unorthodox gas proration unit of 160 acres: W/2 NE/4 and E/2 NW/4 32-20S-37E, Eumont Gas Pool.
- CASE 627: Continental Oil Company's application for approval of unorthodox location for its Sophia Meyer B-26 Well No. 1 in Section 26, Township 20 North, Range 37 East, in correction of original survey.
- CASE 628: Northwestern New Mexico nomenclature case, providing for extensions as follows: