

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 CON-
SIDERING:

CASE NO. 830
Order No. R-595

THE APPLICATION OF THE COMMISSION
UPON ITS OWN MOTION, DIRECTED TO
GULF OIL CORPORATION, FOR RECONSIDER-
ATION OF ADMINISTRATIVE ORDER NSP-68
WHICH CREATED A NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS POOL
CONSISTING OF THE S/2 AND NE/4 OF SECTION
3, TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on February 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of February, 1955, the Commission, 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 for the Jalmat Gas Pool of 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, Gulf Oil Corporation is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal section, and described as follows, to-wit:

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S/2, NE/4 of Section 3

containing 480-acres, more or less.

- (4) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lease known as the Harry Leonard State "D" Well No. 3,

located 1980 feet from the west and south lines of Section 3, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That the above-described 480-acre non-standard gas proration unit has been producing under the provisions of Administrative Order NSP-68, and that the Gulf Oil Corporation was required to, and did, show cause why this 480-acre proration unit should not be reduced in size.

(6) 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 480 acres.

(7) 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.

(8) 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 Gulf Oil Corporation for approval of an unorthodox proration unit consisting of the following described acreage:

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S/2, NE/4 of Section 3

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

(2) That applicant's Harry Leonard State "D", Well No. 3, located in the NE/4 SW/4 of Section 3, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 480 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

