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. 1155
Order No. R-935

THE APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS FOR THE
JALMAT GAS POOL AS SET FORTH IN ORDER
NO. R-520 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF 240
CONTIGUOUS ACRES CONSISTING OF SE/4
AND E/2 SW/4 SECTION 31, TOWNSHIP 21
SOUTH, RANGE 36 EAST, NMPM, JALMAT GAS
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
September 26, 1956, at Hobbs, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the New Mexico Oil Conservation Com-
mission, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this $28\underline{th}$ day of December, 1956, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Daniel S.
Nutter, 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 case and the subject
matter thereof.

2. That applicant, Continental Oil Company, is the owner
of a federal oil and gas lease in Lea County, New Mexico, the land
consisting of other than a legal section, a portion of which is
described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 31: SE/4 and E/2 SW/4

containing 240 acres, more or less.

3. That applicant, Continental Oil Company, has a
producing well on the aforesaid lease known as its Lockhart "B-31"
Well No. 4, located 330 feet from the South line and 660 feet from
the East line of Section 31, Township 21 South, Range 36 East, NMPM.

4. That applicant has recompleted said well in the Yates formation of the Jalmat Gas Pool.

5. 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 240 acres.

6. 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.

7. 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 Continental Oil Company for approval of a non-standard gas proration unit consisting of the following described acreage in the Jalmat Gas Pool, Lea County, New Mexico,

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 31:   SE/4 and E/2 SW/4

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

(2) That applicant's well, Lockhart "B-31" No. 4, located 330 feet from the South line and 660 feet from the East line of said Section 31, shall be granted an allowable in the proportion that the above-described 240-acre unit bears to the standard proration unit in accordance with Rule 8 of the pool rules, 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
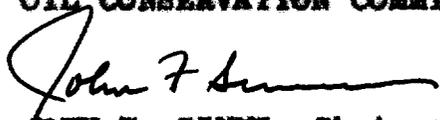
JOHN F. SIMMS, Chairman
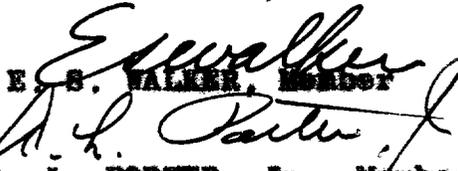
E. S. WALKER, Member
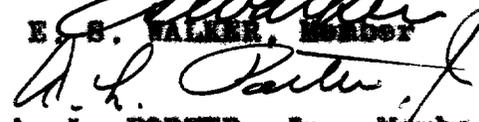
A. L. PORTER, Jr., Member & Secretary

December 31, 1956

Mr. Jason Kellahin
P. O. Box 597
Santa Fe, New Mexico

Dear Sir:

On behalf of your client, Continental Oil Company, we enclose copies of Order R-935 issued on December 28, 1956, in Case 1155, which was heard on September 26, 1956, at Hobbs, New Mexico.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

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encls.