

**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. 617
Order No. R-535**

**THE AMENDED APPLICATION OF TEXAS
PACIFIC COAL AND OIL COMPANY FOR
AN ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-368-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION UNIT
OF 120 CONTIGUOUS ACRES CONSISTING OF
THE S/2 NW/4 OF SECTION 21 AND SE/4 NE/4
OF SECTION 20, TOWNSHIP 23 SOUTH, RANGE
36 EAST, NMPM, LEA COUNTY, NEW MEXICO
IN WHAT IS NOW DELINEATED AS THE JALMAT
GAS POOL UNDER THE PROVISIONS OF ORDER R-520.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 17, 1953, and was successively continued to August 18, 1954, at which time it came on for final hearing at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17 day of October, 1954 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 7 (a) of Order No. R-368-A, and Order R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Texas Pacific Coal and Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

**Township 23 South, Range 36 East, NMPM
S/2 NW/4 of Section 21
SE/4 NE/4 of Section 20**

containing 120 acres, more or less.

(4) That applicant, Texas Pacific Coal and Oil Company, has two producing wells on the aforesaid lease: State A, a/c-1, No. 3, located in the SW/4 NW/4 of Section 21, Township 23 South, Range 36 East, and State A, a/c-1, No. 6 located in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East.

(5) (a) That the aforesaid wells were completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and are located within the limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(b) That the Jalmat Gas Pool should be extended to include the E/2 NE/4 of Section 20, Township 23 South, Range 36 East.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in Sections 20 and 21 and that the owners of adjoining acreage in said sections have not objected to the formation of the proposed proration unit of 120 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 Texas Pacific Coal and Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

Township 23 South, Range 36 East, NMPM
S/2 NW/4 of Section 21
SE/4 NE/4 of Section 20

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

(2) That applicant's wells, State A, a/c-1, No. 3 located in the SW/4 NW/4 and State A, a/c-1, No. 6, located in the SE/4 NW/4 of Section 21, Township 23 South, Range 36 East, NMPM shall be granted a total combined allowable from January 1, 1954, in the proportion that the above described 120 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, the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

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

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

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Dec 17 1953 Hearing - CROSS FILE: RE CASES 613 - 626, incl.

In File Case 613, note Shell Oil Company statement which was to be applied to Cases 613 - 626, incl.