

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Case 753 MAIN OFFICE OCC
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IN THE MATTER OF APPLICATION OF
CHARM OIL COMPANY FOR AN UNORTHODOX
GAS PRORATION UNIT OF 80 CONTIGUOUS
ACRES IN THE JALCO POOL, LEA COUNTY,
NEW MEXICO.

Comes now CHARM OIL COMPANY hereby petitioning the New Mexico Oil Conservation Commission for approval of an unorthodox gas proration unit consisting of the E/2 SW/4 of Section 12, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof does state:

1. That the petitioner is the owner of an oil and gas lease on the 80 acre tract described as E/2 SW/4 of Section 12, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

2. That petitioner has obtained permission from the Commission to dually complete a well on aforesaid lease, the well known as the Superior State # 1, located in the NE/4 SW/4 of Section 12, Township 21 South, Range 35 East.

3. The aforesaid well is within the boundaries of the Jalco Gas Pool.

4. That it is impractical to pool aforesaid 80 acre tract with adjoining acreage, as leasehold owners either already have their acreage committed to an unorthodox gas unit or are in process of now drilling their own gas well.

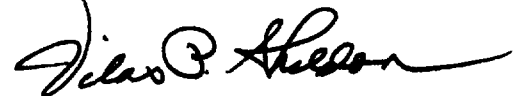
5. That the petitioners' lease is capable of producing gas by virtue of knowledge gained in drilling thereon, and by fact that offset wells in all directions produce gas from the Jalco Gas Pool.

6. That unless a proration unit of this 80 acre tract be permitted, petitioner will be deprived of the opportunity to recover its just share of gas.

7. That a plat showing the described land and all offset properties indicating well locations and lease ownership is hereto attached.

Whereas, the petitioner requests that in the interest of conservation and protection of correlative rights, the Commission grant an exemption to Rule 7 (a) of order R-372-A, as provided therein, by which the petitioner may operate the above described 80 acre unit and be granted an allowable in the proportion that 80 acres bears to the orthodox proration unit.

CHARM OIL COMPANY



VILAS P. SHELDON
Agent