

**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. 783
Order No. R-559**

**THE APPLICATION OF R. OLSEN FOR
APPROVAL OF AN UNORTHODOX GAS
WELL LOCATION FOR ITS HODGE NO.
2 WELL, LOCATED 330 FEET FROM THE
NORTH LINE AND 2310 FEET FROM THE
EAST LINE OF SECTION 8, TOWNSHIP 24
SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, AND FOR APPROVAL
OF A NON-STANDARD GAS PRORATION UNIT
FOR SAID WELL, AS AN EXCEPTION PURSUANT
TO RULE 5 (b) (JALMAT) OF ORDER NO. R-520,
CONSISTING OF THE NE/4 OF SAID SECTION 8.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

**This cause came on for hearing at 9 o'clock a. m. on November
17, 1954 at Santa Fe, New Mexico before the Oil Conservation Commission,
hereinafter referred to as the "Commission".**

**NOW, on this 16 day of December, 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 5 (b) (Jalmat) of Order
No. R-520, the Commission has power and authority to permit the forma-
tion of a gas proration unit consisting of other than a legal section after
notice and hearing by the Commission.**

**(3) That applicant, R. Olsen, 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:**

**TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 8**

containing 160 acres, more or less.

(4) That applicant, on or about July 15, 1954, commenced a well anticipating the completion of an oil well producing from the Queen formation of the Langlie Mattix Oil Pool, at a location 2310 feet from the East line and 330 feet from the North line of said Section 8; that said location was an orthodox oil well location.

(5) That applicant encountered gas production in the Yates formation of such magnitude that he considered it unwise to drill the said well below the Yates gas zone, due to the possibility of losing the well and the waste of oil and gas; that applicant seeks herein approval of an unorthodox location for the said gas well, Hodge No. 2, and the assignment to the said well of 160 acres for gas prorationing; that said well is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That the applicant has another gas well in said Section 8, its Hodge Well No. 1, located in the SE/4 NE/4 of said Section, which is producing from both the Yates formation of the Jalmat Gas Pool and the Queen formation of the Langlie-Mattix Oil Pool, that the specific location of the said Hodge Well No. 1, is 1650 feet from the North line and 330 feet from the East line of Section 8; that it is practicable for the applicant to re-complete this well in such a manner that the gas from the Jalmat Gas Pool in said Hodge Well No. 1, will be shut off and the oil zone of the Langlie-Mattix Oil Pool will remain productive.

(7) That it is impractical to pool the applicant's said lease with adjoining acreage in the said area; that Howard Hogan is the only owner of adjoining acreage in said area who has objected to the proposed proration unit of 160 acres.

(8) That unless a proration unit consisting of the applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of its natural gas in the Jalmat Gas Pool.

(9) That creation of a proration unit consisting of the aforesaid acreage will not cause waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of R. Olsen for approval of an unorthodox location for its Hodge Well No. 2, being 2310 feet from the East line and 330 feet from the North line of Section 8, Township 24 South, Range 37 East, NMPM, be, and the same is hereby approved.

(2) That the application of R. Olsen for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 8

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

(3) That applicant's well, Hodge Well No. 2, located in the NW/4 NE/4 of Section 8, Township 24 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

PROVIDED HOWEVER, That the provisions of this order are wholly contingent upon the applicant shutting off the gas from the Jalmat Gas Pool in his Hodge Well No. 1, located in the SE/4 NE/4 of Section 8, Township 24 South, Range 37 East, NMPM; and the increased allowable assigned the Hodge No. 2 shall become effective on the first day of the month next following satisfactory recompletion of the Hodge No. 2 well.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

