

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 24, 1955

Mr. Jack M. Campbell
Campbell & Russell
J. P. White Building
Roswell, New Mexico

Dear Sir:

In behalf of your client, R. Olsen Oil Company, we enclose
a copy of Order R-676 issued in Case 921 and dated August 17,
1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Enclosure

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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. 921
Order No. R-676

THE APPLICATION OF R. OLSEN OIL
COMPANY FOR APPROVAL OF A 320-
ACRE NON-STANDARD GAS PRORATION
UNIT CONSISTING OF THE W/2 OF SECTION
11, TOWNSHIP 24 SOUTH, RANGE 36 EAST,
NMPM, LEA COUNTY, NEW MEXICO, TO BE
ASSIGNED TO APPLICANT'S COOPER "G"
WELL NO. 1, FOR GAS PRORATION PURPOSES
IN THE JALMAT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th day of August 1955, the Commission, a quorum being present, having considered the record 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 the Commission has the 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, R. Olsen Oil Company, is the owner of a patented oil and gas lease in Lea County, New Mexico, which leases cover land consisting of other than a legal section, and described as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
SW/4 of Section 11

containing 160 acres, more or less.

(4) That R. Olsen Oil Company is the owner of a federal oil and gas lease in Lea County, New Mexico, which lease covers land consisting of other than a legal section, and described in part as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
S/2 NW/4 and NE/4 NW/4 of Section 11

containing 120 acres, more or less.

(5) That Stanolind Oil and Gas Company is the owner of a federal oil and gas lease in Lea County, New Mexico, which lease covers land consisting of other than a legal section, and described as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
NW/4 NW/4 of Section 11

containing 40 acres, more or less.

(6) That applicant, R. Olsen Oil Company, has a producing gas well on the lease described in paragraph (3) above, which well is known as R. Olsen Oil Company's Cooper "G" Well No. 1, located 1320 feet from the South and West lines of Section 11, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

(7) That the aforesaid well is located within the horizontal and vertical limits of the Jalmat Gas Pool as presently defined.

(8) That the aforesaid well was completed as an oil well in the Cooper-Jal Oil Pool in April 1949, and recompleted in the Jalmat Gas Pool in September 1949, which date precedes the effective date of Order R-520.

(9) That it is practical to pool applicant's aforesaid leases with adjoining acreage in said Section 11, and that negotiations are currently underway between the applicant and Stanolind Oil and Gas Company to effect the unitization of their respective leaseholds as described above.

(10) That all the acreage included in the proposed proration unit, is reasonably presumed to be productive of gas from the Jalmat Gas Pool.

(11) That unless a proration unit consisting of the aforesaid acreage owned by applicant and Stanolind Oil and Gas Company is approved, the applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.

(12) That the creation of a proration unit as described above and the assignment of said acreage to the well identified above will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That, upon the successful conclusion of unitization negotiations now pending between applicant and the Stanolind Oil and Gas Company, a non-standard gas proration unit consisting of the following described acreage shall be created:

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Order No. R-676

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
W/2 of Section 11

containing 320 acres, more or less.

(2) That, for the purposes of gas proration, the acreage included in said non-standard gas proration unit shall be assigned to R. Olsen Oil Company's Cooper "G" Well No. 1, which well is located as heretofore described.

(3) That said well shall be granted an increased allowable dating from the first day of the month next following that month in which the Commission is formally notified in writing of the unitization of the 320-acre tract described above, and that the allowable granted shall be in the proportion that 320 acres bears to the acreage included in a standard proration unit for the Jalmat Gas 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



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