

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Dec 13 1955  
December 13, 1955

Mr. Alfred O. Holz  
Cities Service Oil Company  
P.O. Box 97  
Hobbs, New Mexico

Dear Sir:

We enclose a copy of each of the following orders issued  
December 9, 1955, by the Oil Conservation Commission:

Order R-726 in Case 948  
Order R-727 in Case 949

These cases were heard on September 15th.

Very truly yours,

W. B. Macey  
Secretary - Director

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Encls.

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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. 949  
Order No. R-727

THE APPLICATION OF CITIES SERVICE  
OIL COMPANY FOR AN ORDER GRANTING  
APPROVAL OF AN EXCEPTION PURSUANT  
TO RULE 5 (a) OF THE SPECIAL RULES AND  
REGULATIONS OF THE JALMAT GAS POOL  
AS CONTAINED IN ORDER NO. R-520 IN  
ESTABLISHMENT OF A NON-STANDARD GAS  
PRORATION UNIT OF 320 CONTIGUOUS ACRES  
CONSISTING OF S/2 SECTION 18, TOWNSHIP 22  
SOUTH, RANGE 36 EAST, NMPM, 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 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 9<sup>th</sup> day of *December*, 1955, 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 the provisions of Rule 5 (a) of the Special Rules and Regulations of the Jalmat Gas Pool, as contained in Order No. R-520, the Commission has 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, Cities Service Oil Company, is the owner of oil and gas leases in Lea County, New Mexico, the land consisting of other than a legal section, a part of said leases being described as follows, to-wit:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
S/2 Section 18

containing 320 acres, more or less.

(4) That applicant, Cities Service Oil Company, has a producing well on the aforesaid lease known as Closson "A" No. 3, located 1980' from the South line and 660' from the East line of Section 18, Township 22 South, Range 36 East, NMPM.

(5) That the aforesaid well was completed and in production prior to the effective date of Order No. R-520 and is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That it is impractical to pool applicant's said leases with adjoining acreage in the Jalmat Gas Pool.

(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.

(9) That upon favorable approval of this application by the Commission, it is the intention of the applicant to request federal approval for the unitization of their leases covering the S/2 Section 18, Township 22 South, Range 36 East.

IT IS THEREFORE ORDERED:

(1) That the application of Cities Service Oil Company for approval of a non-standard proration unit in the Jalmat Gas Pool consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
S/2 Section 18

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

(2) That applicant's well, Closson "A" No. 3, located in the NE/4 of the SE/4 Section 18, Township 22 South, Range 36 East, NMPM, in the Jalmat Gas Pool, be, and the same is hereby granted an allowable effective December 1, 1955 in the proportion that the above-described 320 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 on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN F. SIMMS, Chairman

  
E. S. WALKER, Member

  
W. B. MACEY, Member and Secretary

