BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2393 Order No. R-2093

APPLICATION OF CONTINENTAL OIL COMPANY FOR A 240-ACRE NON-STANDARD GAS PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 4, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the SE/4 and the E/2 NE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the abovedescribed unit to the Meyer B-23 Well No. 2, located 990 feet from the South line and 1650 feet from the East line of said Section 23.

(4) That of the acreage to be included in the proposed unit, the NE/4 NE/4 of said Section 23 has been included in the acreage comprising a 160-acre non-standard gas proration unit which has been dedicated to the Meyer B-23 Well No. 1, located in the NE/4 NW/4 of said Section 23 and the SE/4 NE/4 of said Section 23 has been included in the acreage comprising a 160-acre non-standard gas proration unit which has been dedicated to the Meyer B-23 Well No. 3, located in the SW/4 NW/4 of said Section 23. -2-CASE No. 2393 Order No. R-2093

(5) That 25% of the production status of the said Meyer B-23 Well No. 1 and 25% of the production status of the said Meyer B-23 Well No. 3 should be charged to the proposed 240-acre non-standard gas proration unit at such time as the proposed unit is established.

(6) That the proposed 240-acre non-standard gas proration unit is presumed to be productive of gas from the Jalmat Gas Pool.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the SE/4 and the E/2 NE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the Meyer B-23 Well No. 2, located 990 feet from the South line and 1650 feet from the East line of said Section 23.

<u>PROVIDED HOWEVER</u>, That 25% of the production status of the Meyer B-23 Well No. 1, located in the NE/4 NW/4 of said Section 23, and 25% of the production status of the Meyer B-23 Well No. 3, located in the SW/4 NW/4 of said Section 23, shall be charged to the 240-acre non-standard gas proration unit.

(2) That the acreage factor for allowable purposes assigned to the above-described 240-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

(3) That the effective date of this order shall be November 1, 1961.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

MECHEM, Chairman EDWIN I. WALKER, Member 12 Cler A. L. PORTER, Jr., Member & Secretary