

**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. 2428
Order No. R-2122**

**APPLICATION OF TEXAS PACIFIC
COAL & OIL COMPANY FOR A 320-
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 November 8, 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 17th day of November, 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, Texas Pacific Coal & Oil Company, is the owner and operator of the State "A" A/c-2 Lease comprising, in pertinent part, Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That said Section 8 has been comprised of two 320-acre non-standard gas proration units in the Jalmat Gas Pool, one unit comprising the W/2 of said Section 8 and dedicated to the applicant's State "A" A/c-2 Well No. 37, located in the NE/4 SW/4 of Section 8, and one unit comprising the E/2 of said Section 8 and dedicated to the applicant's State "A" A/c-2 Well No. 43, located in the SE/4 NE/4 of said Section 8.
- (4) That the applicant now seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the N/2 of said Section 8, said unit to be dedicated to the above-described State "A" A/c-2 Well No. 43; that the applicant has applied for administrative approval of a 320-acre non-standard gas proration unit comprising the S/2 of said

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Section 8, said unit to be dedicated to the State "A" A/c-2 Well No. 56, located in the NW/4 SE/4 of said Section 8.

(5) That the said State "A" A/c-2 Well No. 37 should be shut-in insofar as the Jalmat Gas Pool is concerned, that the production status of said State "A" A/c-2 Well No. 37 should be charged equally to the State "A" A/c-2 Well No. 43 and the State "A" A/c-2 Well No. 56, and that 50 percent of the production status of said State "A" A/c-2 Well No. 43 should be charged to the State "A" A/c-2 Well No. 56.

(6) That the proposed 320-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 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the N/2 of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the State "A" A/c-2 Well No. 43, located in the SE/4 NE/4 of said Section 8.

PROVIDED HOWEVER, That the State "A" A/c-2 Well No. 37 located in the NE/4 SW/4 of said Section 8 shall be shut-in insofar as the Jalmat Gas Pool is concerned, that the production status of said State "A" A/c-2 Well No. 37 shall be charged equally to the State "A" A/c-2 Well No. 43 and the State "A" A/c-2 Well No. 56 located in the NW/4 SE/4 of said Section 8, and that 50 percent of the production status of said State "A" A/c-2 Well No. 43 shall be charged to the State "A" A/c-2 Well No. 56.

(2) That the acreage factor for allowable purposes assigned to the above-described 320-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 December 1, 1961.

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

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



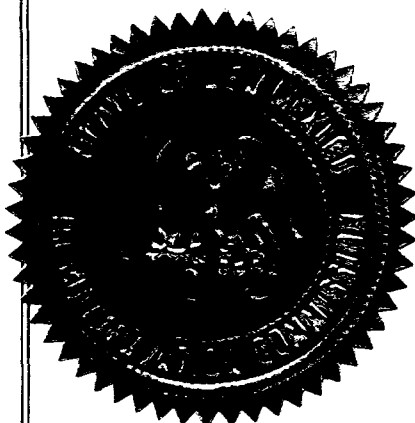
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



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