

TO Hobbie
JAL OIL COMPANY, INC.

303 LEGGETT BUILDING

P. O. BOX 1744

MIDLAND, TEXAS

June 21, 1960

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

one for each well
NSP-522
NSP-523
June 21, 1960

In Re: Application of Jal Oil Company, Inc. for Administrative Approval of an 80 acre Non-Standard Gas Proration Unit in the Jalmat Gas Pool for the Jenkins No. 1 well which is located in the W/2 SW/4 SW/4 of Section 29 and Jenkins No. 2 well which is located in the NE/4 SW/4 of Section 29, both in Township 25 South, Range 37 East, N. M. P. M., Lea County, New Mexico.

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Jal Oil Company, Inc. respectfully requests administrative approval under the provisions of Rule 5(b) of Order No. R-520, as amended, of a Non-Standard Gas Proration Unit of 80.00 acres, more or less, comprising the S/2 SW/4 of Section 29, Township 25 South, Range 37 East for it's Jenkins No. 1 well and a Non-Standard Gas Proration Unit of 80.00 acres, more or less, comprising the N/2 SW/4 of Section 29, Township 25 South, Range 37 East for it's Jenkins No. 2 well, both in the Jalmat Gas Pool, Lea County, New Mexico, and in support thereof states the following facts:

1. That Jal Oil Company, Inc. holds the gas operating rights under the entire SW/4 of Section 29, Township 25 South, Range 37 East, N. M. P. M., Lea County, New Mexico, down to a depth of 3,500 feet and Jal Oil Company, Inc. is operator of said tract of land.
2. That Olsen Blount Oil Company completed the Jenkins No. 1 well on September 29, 1951, and that said well was subsequently acquired by Jal Oil Company, Inc. That said well is located 660 feet North

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of the South line and 330 feet East of the West line of Section 29, Township 25 South, Range 37 East, N.M.P.M. That the well was drilled to a total depth of 3173 feet and was completed as an oil well in the Langlie Mattix Pool and that it was later reclassified as a gas well in the Jalmat Gas Pool, and that 160 acres consisting of the SW/4 of Section 29-25S-37E were dedicated to said well.

3. That Olsen Blount Oil Company completed the Jenkins No. 2 well on October 28, 1951, and that said well was subsequently acquired by Jal Oil Company, Inc. That said well is located 1980 feet North of the South line and 1980 feet East of the West line of Section 29, Township 25 South, Range 37 East, N.M.P.M. That the well was drilled to a total depth of 3403 feet and was completed as a gas well in the Langlie Mattix and that 160 acres consisting of the SW/4 of Section 29-25S-37E were dedicated to said well.
4. That on April 21, 1960, the Jenkins No. 2 well was reclassified as a Jalmat Gas Pool well and was shut in due to the fact that the entire SW/4 of Section 29-25S-37E had been previously dedicated to the Jenkins No. 1 Jalmat Gas well as set out above.
5. That there is no more acreage left in the lease for dedication to the Jenkins No. 2 and that if this well is not permitted to produce and is subjected to an indefinite shutin period, it will be permanently damaged and the reserves lost forever due to water encroachment. It is therefore this company's wish to divide the available acreage equally between the two wells and establish new proration units consisting of 80 acres each.
6. That the proposed Non-Standard Proration Units will meet the requirements of Rule 5(b) of Order R-520, as amended, in that the proposed Units consist of contiguous half quarter sections within a single governmental section, that the length or width thereof does not exceed 5,280 feet, and that the entire area of the proposed unit lies within the horizontal limits of the Jalmat Gas Pool and may reasonably be presumed to be productive of gas.

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7. That by a copy of this Letter of Application, all of the other operators owning an interest in the section in which the proposed Non-Standard Proration Units are situated and all operators owning an interest within 1,500 feet of the well have by registered mail been notified.
8. That a plat showing the acreage to be dedicated to the proposed Non-Standard Proration Units, the location of the said wells and the offset ownership is attached hereto.
9. Jal Oil Company, Inc. wishes to advise the Commission that it is its intention to use each of these wells as the unit well.

In view of the existence of the facts herein stated and in compliance with the provisions of Rule 5(b) of Order No. R-520, as amended, Jal Oil Company, Inc. requests Administrative approval of said proposed eighty acre Non-Standard Gas Proration Units.

Respectfully submitted,

JAL OIL COMPANY, INC.


E. D. Hardwick

vjc/s

cc: Leonard Oil Company
White Building
Roswell, New Mexico

Anderson-Prichard Oil Corp.
Liberty Bank Building
Oklahoma City, Oklahoma

Sinclair Oil & Gas Company
Sinclair Building
Tulsa, Oklahoma

Olsen Oils, Inc.
2811 Liberty Bank Building
Oklahoma City, Oklahoma

Cities Service Oil Company
Bartlesville, Oklahoma

Amerada Petroleum Corporation
Amerada Building
Tulsa, Oklahoma

Gulf Oil Corporation
P. O. Box 1290
Ft. Worth, Texas

Humble Oil & Refining Company
P. O. Box 2180
Houston, Texas

Texaco, Inc.
Midland Savings & Loan Building
Midland, Texas

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STATE OF TEXAS

COUNTY OF MIDLAND

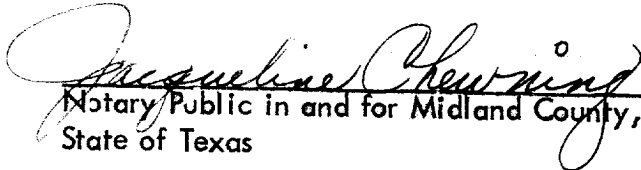
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On this 21st day of June, 1960, before me personally appeared E. D. Hardwick to me known to be the person who executed the foregoing letter and states that the foregoing statements are true to the best of his knowledge and belief.

IN WITNESS WHEREOF, I have set my hand and seal on the day and year first above written.

My Commission Expires

June 1, 1961


Notary Public in and for Midland County,
State of Texas

