

CASE 5295: APPLI. of AMOCO PROD.
COMPANY for a non-standard pro-
ration unit and simultaneous
dedication, Lea Countv.

CASE No.

5295

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 21, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production
Company for a non-standard
proration unit and simultaneous
dedication, Lea County, New Mexico

Case No.
5295

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

Guy Buell, Esq.
and
Clyde D. Ford, Esq.
Amoco Production Company
500 Jefferson Building
P. O. Box 3092
Houston, Texas 77001

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

CASE 5295

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I N D E X

PAGE

GROVER GENE GRADICK

Direct Examination by Mr. Buell

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E X H I B I T S

Applicant's Exhibits Nos. 1, 2 and 3

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GRADICK-DIRECT

MR. STAMETS: Case No. 5295.

MR. CARR: Case No. 5295. Application of Amoco Production Company for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico.

MR. BUELL: Mr. Examiner, my name is Guy Buell, appearing for Amoco Production Company. Also appearing with me, I have Clyde Ford, who many of you know. He has been out here many times before. Clyde and I are going to try to work out a little deal. Anytime we have something out here, if he can't come, I am coming, and if I can't come, he wants to come. We had one witness, but I don't know what happened -- here he is.

MR. STAMETS: Are there any other appearances in this case? The witness will stand and be sworn.

(Witness sworn.)

GROVER GENE GRADICK

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Gradick, will you state your complete name, by whom you are employed, in what location, and in what capacity, please?

GRADICK-DIRECT

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A My name is Grover Gene Gradick. I am a Petroleum Engineer, Senior Grade, employed by Amoco Production Company in Houston, Texas.

Q Mr. Gradick, what is your background from an educational standpoint in the field of engineering?

A I received a Bachelor of Science in mechanical engineering from Texas A and M University.

Q What have you done since graduation from A and M in the field of engineering?

A I worked six years in various Gulf Coast offices in drilling production and various field assignments and transferred to our Division Office and worked in the Reservoir Engineering Section in West Texas and New Mexico projects, and subsequently moved into regulatory work.

Q You have been with Amoco in an engineering capacity ever since graduation?

A Yes, sir.

Q Does southeast New Mexico fall under your area of supervision and jurisdiction?

A Yes, sir.

MR. BUELL: Mr. Examiner, before I have Mr. Gradick testify, I might point out that the Gillully Unit is currently an approved non-standard 480-acre unit in the

GRADICK-DIRECT

Eumont Gas Pool. It was approved as a non-standard unit by Order R-1177 effective May 26, 1958. The designated unit well was the Gillully No. 4 located 660 feet from the north line and 1980 feet from the east line, and as you all have stated in the reading of the docket, our Application here today is really to complete another well on this non-standard 480-acre unit such as we will have two producers, and that well is the Gillully No. 7 which is located in the southeastern portion of the unit, 660 feet from the south line and 1980 feet from the east line of Section 24.

BY MR. BUELL:

Q Mr. Gradick, in connection with your testimony here today, would you look first, please, at what has been identified as Amoco's Exhibit No. 1. What is that exhibit?

A This is just a plat of a portion of the Eumont Gas Pool showing a section of the unit in question outlined in the broad blue dash line and the surrounding sections.

Q All right, sir. This only shows a small portion of the big Eumont Gas Pool?

A Yes, sir.

Q Let's orient the Examiner. What geographic

GRADICK-DIRECT

locations does your Exhibit No. 1 cover?

A This is on the western edge of the field, the productive limits --

Q (Interrupting) A little south of central?

A Just about central.

Q Let me ask you: How have you identified the wells on this portion of the Eumont Gas Pool that are completed in that pay?

A They are shown with the red dots as you see spotted over the plat.

Q All right, sir. With regard to those wells, have you added any other information adjacent to the well symbol or nearby?

A Yes, we did show the acreage assigned to each well in big blue numbers spotted around the red dots. There is no description because we don't know exactly what the Unit "A" is. It is not based on the proration schedule -- just the size of it.

Q You know the acreage, but not the outer boundaries in each particular unit?

A No, sir.

Q And, of course, our No. 4, our current producing well is colored in red on the 480-acre non-standard unit,

GRADICK-DIRECT

is it not?

A Yes, sir.

Q Have you highlighted the No. 7 well, the well we proposed to recomplete in this pay?

A It is shown at that large red arrow that you see down in the southeastern corner of Section 24.

Q All right, sir. Now, if our Application is approved here today by the Commission, we would then have two wells on this non-standard 480-acre unit, and what would be the average acres per well?

A It would figure out 240 acres per well, or two wells per 480.

Q Just looking at Exhibit 1, I want to ask you whether you have added all of the various unit acre assignments up and made an average, but does it appear to you that the average acres per well of the units in and around our Gillully Unit are less than 240 acres per well?

A Yes, just looking at the acreages as posted on the map, you can see that most all of them are 160 -- that's acres per well -- and we are talking about 240 acres per well which would be slightly larger.

Q I believe I have observed even one 140-acre unit that you have shown on your Exhibit 1?

GRADICK-DIRECT

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A Yes. Skelly has one down in the northwest corner of the east corner of Section 30 and it is 40 acres.

Q All right. Go ahead.

A I was going to point out that Continental has one, 640 acres, which is in Section 14.

Q That is the northwest section on this exhibit?

A Yes.

Q What is the current status of Well No. 7, Mr. Gradick?

A It is a shut-in well and has been shut in for quite sometime.

Q And Amoco proposes to recomplete that in the Eumont Gas Pool pay?

A Yes, sir.

Q Do you have any idea of how much it will cost to recomplete it?

A We estimate approximately \$17,500 to clean this well out and recomplete it.

Q Just as a matter of general interest, what would it cost to drill a new well from scratch in this general area to the depth of the Eumont Gas pay?

A I would say approximately \$80,000.

Q All right, sir. Turn now, if you will, Mr. Gradick,

GRADICK-DIRECT

to what has been identified as Amoco's Exhibit 2. What is that exhibit?

A This is just a production tabulation of the Gillully No. 4, the one well that we have on our unit currently. Basically, all this shows is that the well has been marginal for some time.

Q But it does give the Examiner, if he would like to review, the past producing history of this well going back to January of '73?

A About the last year and a half.

Q Turn, if you will, to what has been identified as our Exhibit 3. What is that exhibit?

A This is a tabulation of the various units in the Eumont Pool. It has currently existing simultaneous dedication and there is approximately 14 of them.

Q I notice on there that the unit size varies anywhere from 240 below the 640 top?

A Yes, sir.

Q Do any of these wells that currently have more than one well on a unit that are listed on Exhibit 3 happen to fall on your Exhibit No. 1?

A Yes, there is one, the Continental Sanderson is that 640-acre unit in Section 14 on the plat and it

GRADICK-DIRECT

has two wells.

Q While you are back to Exhibit 1, let me ask you this: In your opinion, will the approval of our Application in any way adversely affect the correlative rights of any of the owners offsetting our Gillully Unit?

A No, sir.

Q Why won't it?

A Well, as mentioned previously, right now, we've only got one well per 480 acres and basically all these surrounding tracts have one well per 160, and by having two wells on our 480, our density would be one well per 240, which is still slightly larger than the surrounding developments.

Q So, to reverse the coin, the correlative rights coin, when you work it that way, you could certainly say that the No. 7 Well is justified to protect the correlative rights of the interest owners in and under the Gillully Unit?

A Yes, sir.

Q Let me ask you this: Do you feel that the re-completion of the No. 7 in the Eumont Gas Pool pay will in any way increase the recovery of gas?

A Yes, sir, I think there is a very good possibility.

GRADICK-DIRECT

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Q Let me ask you this: Have you made a study to determine down to the last cubic feet just how much this incremental increase will be?

A No, sir, I have not, but I think we could reasonably assume that it is going to help the economics of the lease. It is going to give us a lower economic limit, would be one way, and further, just due to the well spacing, well density, right now we've got one well up in the north half of that Section and no wells down in the southeast quarter and we are proposing to add one well in that area which would help our drainage.

Q Would it be a fair summary of your testimony to say that approval of this Application would protect correlative rights as well as prevent waste?

A Yes, sir.

Q Do you have anything else that you would care to add at this time, Mr. Gradick?

A No, sir.

MR. BUELL: If it please the Examiner, that is all we have by way of direct. I would like to, at this point, offer our Exhibits 1, 2 and 3.

MR. STAMETS: Exhibits 1, 2 and 3 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 were marked for identification and admitted into evidence.)

MR. STAMETS: Any questions of the witness?

He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this case? We will take the case under advisement.

MR. BUELL: Thank you, Mr. Examiner.

CASE 5295

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STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5295 heard by me on Aug 20, 1974.
Richard L. Nye Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386



Amoco Production Company
Post Office Box 68
Hobbs, New Mexico 88240

July 22, 1974

File: DRM-356-986.5 X WF

Re: Application for Simultaneous Dedication of Acreage
Gillully Federal Gas Com Wells # 4 & 7
Eumont Gas Pool
Lea County, New Mexico

File Case 6295

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 88501

Gentlemen:

Amoco Production Company is the owner and operator of a 480 acre non-standard gas proration unit in the Eumont Gas Pool. The unit is assigned to the Gillully Federal Gas Com Well #4, located in Unit B of Section 24, T-20-S, R-36-E, Lea County, N.M. This non standard unit was established by NMOCC order R-1177, dated May 26, 1958.

Since Well #4 is now marginal with no possibilities of restoration to top allowable, Amoco proposes to recomplete the Gillully "A" Federal Well #7, located in Unit O, Section 24, T-20-S, R-36-E, to the Eumont Gas Zone and simultaneously dedicate the 480 acre unit to the Gillully Federal Gas Com Well #4 and Gillully Federal Gas Com Well #7. It is requested that we be permitted to produce the gas allowable from one or both wells in any proportion. The 480 acre non-standard proration unit is comprised of the N/2 and the SE/4 of Section 24, T-20-S, R-36-E, Lea County, N.M.

*NSP 108 3/17/55
approved 320 aa for #4
R-1177 5/26/58
approved 480 aa for #4*

*now seek 480 for
#4 and #7
set for hearing*

Page 2
DRM-356-986.5 X WF
July 22, 1974

This simultaneous dedication will assist in the protection of Amoco's correlative rights and will efficiently and effectively drain the proration unit.

Yours very truly,

Original Signed By
Alex Clarke, Jr.

ALEX CLARKE, JR.
Area Superintendent

cc: NMOCC, Box 1980, Hobbs, NM 88240

cc: by Certified Mail:

Continental Oil Co., Box 460, Hobbs, NM 88240

Gulf Oil Corp., Box 670, Hobbs, NM 88240

ARCO, Box 1710, Hobbs, NM 88240

Getty Oil Co., Box 249, Hobbs, NM 88240

Phillips Pet. Co., Phillips Bldg., Odessa, Texas 79760



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

September 3, 1974

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Guy Buell
Amoco Production Company
Post Office Box 3092
Houston, Texas 77001

Re: CASE NO. 5295
ORDER NO. R-4848

Applicant:
Amoco Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other _____

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. 5295
Order No. R-4848

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of September, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Amoco Production Company, seeks approval of a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully Federal Gas Com Well No. 4 and its Gillully "A" Federal Well No. 7 located in Units B and O, respectively, of said Section 24, with unit production to be taken from said wells in any proportion.

(3) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(4) That the entire N/2 and SE/4 of said Section 24 may reasonably be presumed productive of gas from the Eumont Gas Pool.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool and will otherwise prevent waste and protect correlative rights.

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Case No. 5295
Order No. R-4848

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. October 1, 1974, the applicant, Amoco Production Company, is hereby authorized to simultaneously dedicate a non-standard 480-acre gas proration unit comprising the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to its Gillully Federal Gas Com Well No. 4 and its Gillully "A" Federal Well No. 7 located in Units B and O, respectively, of said Section 24.

(2) That the allowable assigned to the above-described gas proration unit shall be based on the unit size of 480 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

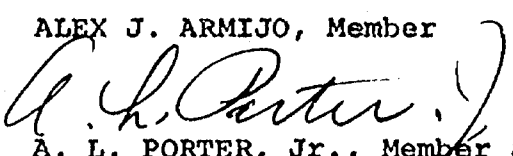
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

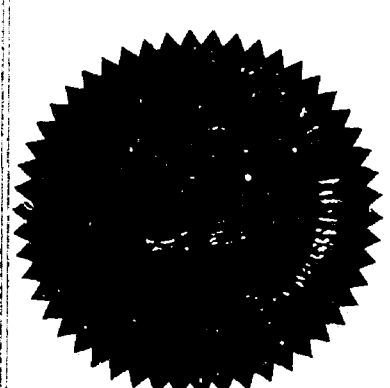
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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


S E A L

dr/

ATWOOD, MALONE, MANN & COOTER
LAWYERS

JEFF D. ATWOOD [1883-1960]

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. BASSETT
ROBERT E. SABIN
RUFUS E. THOMPSON

RALPH D. SHAMAS

August 15, 1974

Mr. A. L. Porter, Jr.
Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

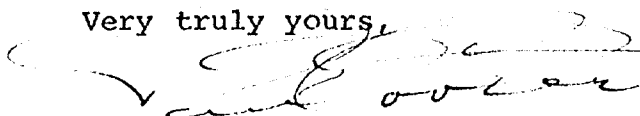
RE: No. 5295
Examiner Hearing for Wednesday, August 21, 1974

Dear Mr. Porter:

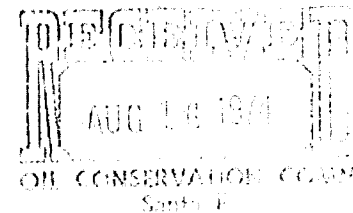
Would you please file the enclosed Entry of Appearance in the captioned case. The presentation will be handled by Guy Buell and Clyde Ford of Amoco's Houston office.

Appreciating your courtesy, and with our kind regards,
I am,

Very truly yours,


Paul Cooter

PC:sas
cc: Guy Buell, Esquire



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR A)
NON-STANDARD PRORATION UNIT AND)
SIMULTANEOUS DEDICATION, LEA)
COUNTY, NEW MEXICO.) No. 5295

ENTRY OF APPEARANCE

The undersigned, Atwood, Malone, Mann & Cooter of
Roswell, New Mexico, hereby enter their appearance herein for
Amoco Production Company, with Guy Buell and Clyde Ford, of
Houston, Texas.

ATWOOD, MALONE, MANN & COOTER

BY 

P. O. Drawer 700
Roswell, New Mexico

Attorneys for Amoco Production Company

Docket No. 24-74

Dockets Nos. 25-74 and 26-74 are tentatively set for hearing on September 4 and September 18. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 21, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner

CASE 5294: Application of Shenandoah Oil Corporation for a buffer zone allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a special buffer zone allowable to its Gissler "A" Wells Nos. 1 and 3, located 430 feet from the North line and 1720 feet from the West line, and 1320 feet from the North line and 2310 feet from the West line, respectively, of Section 23, Township 17 South, Range 30 East, Grayburg Jackson Pool, Eddy County, New Mexico. These wells offset an active waterflood project and have received an apparent response to water injection.

CASE 5295: Application of Amoco Production Company for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 480-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully Federal Gas Com Well No. 4 and its Gillully "A" Federal Well No. 7 located in Units B and O, respectively, of said Section 24.

CASE 5296: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Vacuum-Upper Pennsylvanian production with the presently commingled North Vacuum-Abo and North Vacuum-Wolfcamp production in the wellbore in its New Mexico "Q" State Well No. 4 located in Unit P of Section 25, Township 17 South, Range 34 East, Vacuum Field, Lea County, New Mexico.

CASE 5297: Application of Exxon Corporation for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 of Section 35, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Eumont Gas Com 3 Well No. 1 and its Fopeano Federal A/C Well No. 7, located in Units A and G, respectively, of said Section 35.

CASE 5298: Application of General American Oil Company of Texas for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 29, Township 17 South, Range 29

Docket No. 23-74

DOCKET: COMMISSION HEARING - MONDAY - AUGUST 19, 1974

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

CASE 5262: (DE NOVO)

Application of Petro-Lewis Corporation for pool contraction, creation, and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Media-Entrada Oil Pool by the deletion of the NW/4 of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, and the creation of a new pool for Entrada production comprising said lands. Applicant further seeks the promulgation of special rules for said pool, including a provision for 160-acre proration units and the establishment of a special depth bracket allowable for said pool of up to 750 barrels per day.

Upon application of Petro-Lewis Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5152: (Reopened) Continued from July 24, 1974 Examiner Hearing

In the matter of Case No. 5152 being reopened pursuant to the provisions of Order No. R-4713, which order established a special depth bracket allowable for the Media-Entrada Oil Pool, Sandoval County, New Mexico. All interested parties may appear and show cause why said special depth bracket allowable should not be rescinded.

ir/

(Case 5298 continued from Page 1)

East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5299: Application of Coquina Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 23, Township 22 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5300: Application of Mesa Petroleum Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 7, Township 16 South, Range 36 East, North Shoe Bar-Wolfcamp Pool, Lea County, New Mexico, to be dedicated to a well to be drilled 555 feet from the South line and 2085 feet from the East line of said Section 7. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5301: Application of Cleary Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Quarry Unit Area comprising 5177 acres, more or less, of Fee and Federal lands in Township 22 South, Range 32 East, Lea County, New Mexico.

EUMONT GAS POOL
(YATES SEVEN RIVERS QUEEN)

GILLULY GAS COM. #4

	<u>Status</u>	<u>Production (MCF)</u>	<u>Underage (MCF)</u>
January 1973	N	41,056	22,282
February	N	34,685	46,203
March	N	36,678	73,091
April	N	30,997	88,398
May	N	34,938	102,727
June	N	34,719	111,663
July	N	33,788	114,866
August	N	34,292	118,598
September	N	33,920	116,853 Cancelled
October	N	33,388	
November	M	30,250	
December	M	30,779	
January 1974	M	29,112	
February	M	27,640	
March	M	29,239	
April	M	27,364	
May	M	29,583	
June	M	27,098	

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 5295
Submitted by Amoco
Hearing Date 8-21-74

EUMONT GAS POOL
(YATES SEVEN RIVERS QUEEN)

GAS UNITS WITH SIMULTANEOUS DEDICATION

<u>Operator and Wells</u>	<u>Unit Size</u>	<u>Status</u>	<u>Location</u>
<u>Conoco</u>			
Lockhart "B" 4H & 7D	480	M	14 & 13-21S-36E
Lockhart "B"-1 4G & 6P	320	N	1-22S-36E
Reed "A"-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12P & 13G	640	M	14-20S-36E
<u>Exxon</u>			
Eumont Gas Com. 1J & 2L	640	N	4-20S-37E
NM "G" State 5E & 9G	640	M	23-21S-36E
NM "G" State Bat. 2 2P & 6M	640	M	23-21S-36E
<u>Gulf</u>			
W. A. Ramsay NCT A 17J & 46E	640	N	27-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1 & 2-22S-37E
W. A. Ramsay NCT A 14F & 7N	640	N	35-21S-36E
A. B. Reeves 1L & 2E	320	N	19-20-37E
Harry Leonard NCT A 3B & 7M	480	N	22-21S-36E
<u>Atlantic Richfield Company</u>			
Byrd Gas Com. 5E & 7C	320	N	11-20S-36E
James H. Williams 1E & 5F	240	M	34-19S-37E

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	3
CASE NO.	5295
Submitted by	Amoco
Hearing Date	8-21-74



July 22, 1974

File: DRM-356-986.5 X WF

Re: Application for Simultaneous Dedication of Acreage
Gillully Federal Gas Com Wells # 4 & 7
Eumont Gas Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 88501

Gentlemen:

Amoco Production Company is the owner and operator of a 480 acre non-standard gas proration unit in the Eumont Gas Pool. The unit is assigned to the Gillully Federal Gas Com Well #4, located in Unit B of Section 24, T-20-S, R-36-E, Lea County, N.M. This non standard unit was established by NMOCC order R-1177, dated May 26, 1958.

Since Well #4 is now marginal with no possibilities of restoration to top allowable, Amoco proposes to recomplete the Gillully "A" Federal Well #7, located in Unit 0, Section 24, T-20-S, R-36-E, to the Eumont Gas Zone and simultaneously dedicate the 480 acre unit to the Gillully Federal Gas Com Well #4 and Gillully Federal Gas Com Well #7. It is requested that we be permitted to produce the gas allowable from one or both wells in any proportion. The 480 acre non-standard proration unit is comprised of the N/2 and the SE/4 of Section 24, T-20-S, R-36-E, Lea County, N.M.

NSC 108

R-1177

5/26/58

Amoco Production Company
Post Office Box 68
Hobbs, New Mexico 88240

Case 5295

DOCKET MAILED

Date 8-9-74

Page 2
DRM-356-986.5 X WF
July 22, 1974

This simultaneous dedication will assist in the protection of Amoco's correlative rights and will efficiently and effectively drain the proration unit.

Yours very truly,



ALEX CLARKE, JR.
Area Superintendent

cc: NMOCC, Box 1980, Hobbs, NM 88240

cc: by Certified Mail:

Continental Oil Co., Box 460, Hobbs, NM 88240

Gulf Oil Corp., Box 670, Hobbs, NM 88240

ARCO, Box 1710, Hobbs, NM 88240

Getty Oil Co., Box 249, Hobbs, NM 88240

Phillips Pet. Co., Phillips Bldg., Odessa, Texas 79760

DRAFT

dr/

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. 5295

Order No. R-4848

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD PRORATION UNIT AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1944,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of August, 1944, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Amoco Production Company, seeks
approval of a 480-acre non-standard gas proration unit comprising
the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East,
NMPM, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously
dedicated to its Gillully Federal Gas Com Well No. 4 and its
Gillully "A" Federal Well No. 7 located in Units B and O, respectively,
of said Section 24, with unit production to be taken from said wells
in any proportion.

1 (3) That the proposed non-standard gas proration unit can
2 be efficiently and economically drained and developed by the
3 subject wells.

4 (4) That the entire N/2 and SE/4 of said Section 24 may
5 reasonably be presumed productive of gas from the Eumont Gas Pool.

6 (5) That approval of the subject application will afford
7 the applicant the opportunity to produce its just and equitable
8 share of the gas in the Eumont Gas Pool and will otherwise prevent
9 waste and protect correlative rights.

10 IT IS THEREFORE ORDERED:

11 (1) That effective at 7:00 a.m. October 1, 1974
12 the applicant, Amoco Production Company, is hereby authorized to
13 simultaneously dedicate ~~its~~^a non-standard 480-acre gas proration
14 unit comprising the N/2 and SE/4 of Section 24, Township 20 South,
15 Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to
16 its Gillully Federal Gas Com Well No. 4 and its Gillully "A"
17 Federal Well No. 7 located in Units B and O, respectively, of said
18 Section 24. ~~with unit production to be taken from said wells in~~
19 ~~any proportion.~~

20 (2) That the allowable assigned to the above-described gas
21 proration unit shall be based on the unit size of 480 acres and
22 that the operator may produce the allowable assigned to the unit
23 from the subject wells in any proportion.

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

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

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