

CASE NO. 5380: AMOCO PRODUCTION  
COMPANY FOR NON-STANDARD GAS PRO-  
DUCTION UNIT, UNORTHODOX LOCATION,  
SIMULTANEOUS DEDICATION. LEA

CASE No.

5380

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 5, 1975

EXAMINER HEARING

IN THE MATTER OF:

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

CASE NO. 5380

BEFORE: Richard L. Stamets, Examiner

For the New Mexico Oil  
Conservation Commission:

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

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TEL. (505) 982-0386

MR. STAMETS: Case 5380.

MR. DERRYBERRY: Case 5380. Application of Amoco Production Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico.

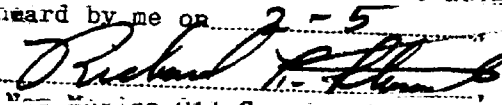
MR. STAMETS: We call for appearances in this case? (Whereupon, a discussion was held off the record.)

MR. STAMETS: Mr. Derryberry advises me that this is a case which we have previously heard the testimony on. It was readvertised to correct an error, I believe, in the Range. Since there are no appearances in this case today, an order can now be issued based on the previous record.

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

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.

  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5380, heard by me on 2-5-1975.  
  
New Mexico Oil Conservation Commission, Examiner

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 8, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Company  
for a non-standard gas proration unit,  
an unorthodox gas well location, and  
simultaneous dedication, Lea County,  
New Mexico.

Case No.  
5380

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

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

For the Applicant:

Guy Buell, Esq.  
500 Jefferson Building  
P.O. Box 3092  
Houston, Texas 77001

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I N D E XPAGE

GENE GRADICK

Direct Examination by Mr. Buell

4

E X H I B I T S

Amoco's Exhibits 1 through 3

Marked

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Admitted

11

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MR. STAMETS: The hearing will come to order, please. We'll call the next case, Case 5380.

MR. CARR: Case 5380. Application of Amoco Production Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico.

MR. BUELL: For the Applicant, Amoco Production Company, Guy Buell. We have one witness, Mr. Gradick.

MR. STAMETS: If there are any other witnesses, at this time all stand and be sworn.

(Witness sworn.)

MR. BUELL: At the outset, Mr. Examiner, I would like to call your attention to what I believe is an error in the docket and the way this case was advertised. It shows that the proration unit that is the subject matter of this application is located in Range 36 East and actually it is located in Range 37 East. I would like to move that we go ahead and present our evidence since we are here and prepared and that this case be readvertised with the right range on the February 5th Examiner's docket. At that time when it is called this record be incorporated into the record of that docket.

MR. STAMETS: Okay. We will proceed to do that.

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MR. BUELL: Thank you, Mr. Examiner.

MR. STAMETS: If nobody shows up on the 5th we will call this the total case.

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, would you state your complete name, by whom you're employed and in what capacity and what location, please, sir.

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

Q Mr. Gradick, you have testified before this Commission and your qualifications as a Petroleum Engineer are a matter of public record, are they not?

A Yes, sir.

Q All right, sir. In connection with this case would you direct your attention first to what has identified as Amoco's Exhibit 1. What is that Exhibit?

A This is a map of the Eunice Monument area showing Eumont Queen gas completion. It also shows in the approximate

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center of the plat the unit in question outlined in a broad blue dashed line.

Q All right, sir. The Eumont Gas Pool covers a tremendously large geographical area and obviously this Exhibit doesn't cover the entire pool. To orient the Examiner, what portion of the Eumont Gas Pool is reflected by Exhibit 1?

A It's I'd say predominately in the southeastern portion.

Q All right, sir. You have identified our 360-acre unit in Section 33 with the heavy blue dashed outline?

A Yes, sir.

Q And how do you identify the Eumont Gas Pool Well?

A They're shown with the red dots you see spotted around the map.

Q All right, sir. Looking at our 360-acre unit I notice that there is an existing Eumont Gas Pool Well on that unit at this time?

A Yes, sir, it's our Gillully "B" No. 3 Well.

Q And where is it located with respect to the unit boundaries?

A With respect to the unit boundary it's 660 660 out of the corner, of the southwestern corner.

Q In the southwestern corner?

A Yes, sir.

Q All right, sir. Within the scope of this Application is approval of an unorthodox well location for Well No. 15. How have you identified that location on this Exhibit?

A It is shown identified with a red arrow up in the northeastern corner of the 360-acre unit in question.

Q And what is the footage location on that?

A It is located 1980 from the North line and 660 from the East line of Section 33, which would put it right out of the northeast corner of the 360-acre section in question.

Q All right, sir. We're asking that the 360 acres in this gas proration unit be simultaneously dedicated to existing Well 3 and future Well No. 15, is that not correct?

A Yes, sir.

Q How is Well 15 located from the standpoint of effectively and efficiently aiding Well No. 3 and draining this 360-acre gas unit?

A Well, as can be seen, it's located diagonally across the unit in the opposite corner or in the opposite

relative position, which should give you better drainage throughout the unit in question.

Q All right, sir. While you are looking up there in the northeast corner of the unit and unorthodox location for Well No. 15, tell me whether or not it is crowding any existing Eumont gas completion outside the unit?

A No, sir.

Q All right, sir. Do you have any other comments on Exhibit 1?

A No, sir.

Q Let me ask you this while we are looking there: What kind of a producer is existing Well 3?

A The latest allowable it had -- was about 680 mcf a day, which is substantially less than what it could carry with 360 acres of sand.

Q It is a marginal well?

A Yes, sir.

Q When you're looking at 360 acre units there is plenty of excess allowable that can be attributed to Well No. 15, depending on how good a well it is?

A Yes, sir. It could carry up to approximately 1.8 million a day.

Q All right, sir. While we are discussing Well

No. 3 let me direct your attention to what has been identified as Amoco's Exhibit 2. What is that Exhibit?

A This is a tabulation of some recent production data on the No. 3 Well going back to January, '73, showing that the well has accumulated approximately 137 million cubic feet of underage which was cancelled in September of that year and the well reclassified a marginal. Currently, at least as shown here in September, produced about 20 million cubic feet that month.

Q Is that the latest production data available from Well No. 3 at the time you prepared this Exhibit?

A Yes, sir.

Q All right, sir. Do you have any other comments on Exhibit 2?

A No, sir.

Q All right, sir. Let me ask you this: Have you made a study to determine whether or not similar applications have been granted by this Commission in the Eumont Gas Pool?

A Yes, sir, I have.

Q Have you tabulated those approvals that you have been able to ascertain?

A Yes, sir. Shown on this Exhibit No. 3 we've got

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approximately 15 units on the November schedule that had simultaneous dedication.

Q You say November; you mean November, 1974?

A Yes.

Q Of your knowledge, have other applications of a similar nature been approved subsequent to November?

A Yes, sir. I know that some have been approved. In fact, Amoco has gotten one approved recently.

Q Maybe instead of saying subsequent to November I'll say subsequent to the time the November, '74 schedule was prepared?

A Well, they weren't on schedule but they were approved.

Q All right, sir. What is the range of unit size that you ascertained for the units that have simultaneous dedication?

A They range from 160 acres up to 640 acres.

Q So our 360 is almost medium?

A Yes, sir, it is medium-sized.

Q Now, let me ask you this: Have any of the exceptions, or any of the units with simultaneous dedication shown on Exhibit 3, are any of those reflected within the area you show on Exhibit 1?

A Yes, sir, the Gulf A.B. Reeves Unit. It is a 320-acre unit located in Section 29 up in the left-hand top corner of this plat.

Q Let me ask you this, Mr. Gradick: In your opinion will the approval of this Application and the completion of Well No. 15 in the northeast corner of this unit recover gas from the Eumont Gas Pool that Well No. 3 would not recover?

A Yes, sir, it would.

Q And while you're looking at Exhibit 1 and the area around our 360-acre unit let me ask you this question: Do you say approval of this Application in any way can adversely affect the correlative rights of any of the other interest owners around our 360-acre unit?

A No, sir.

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

A No, sir.

MR. BUELL: If it please the Examiner, that's all we have by way of direct. I would like to offer our Exhibits 1 through 3 inclusive.

MR. STAMETS: Exhibits 1 through 3 will be admitted into evidence.

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(Whereupon, Amoco's Exhibits  
1 through 3 were admitted into  
evidence.)

MR. STAMETS: Any questions of this Witness?  
He may be excused. Anything further in this Case?

MR. BUELL: No, sir, that's all we have, Mr.  
Examiner.

MR. STAMETS: We'll take the case under advise-  
ment.



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

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. 5380 heard by me on 1-8, 1975.

  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission

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## OIL CONSERVATION COMMISSION

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

**I. R. TRUJILLO**  
**CHAIRMAN**

**LAND COMMISSIONER  
PHIL R. LUCERO  
MEMBER**

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

February 11, 1975

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

Re: CASE NO. 5380  
ORDER NO. R-4958

Applicant:

Amoco Production Co.

Dear Sir:

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

Very truly yours,

A. H. Porter, Jr.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>          X          </u>
Artesia OCC	<u>                          </u>
Aztec OCC	<u>                          </u>

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. 5380  
Order No. R-4958

APPLICATION OF AMOCO PRODUCTION COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
AN UNORTHODOX GAS WELL LOCATION, 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 February 5, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of February, 1975, 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 for a 360-acre non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33, in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its Gillully "B" Well No. 3 located in Unit N and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33, with unit production to be taken from said wells in any proportion.

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

-2-

Case No. 5380  
Order No. R-4958

(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.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. March 1, 1975, the applicant, Amoco Production Company, is hereby authorized to simultaneously dedicate its 360-acre non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33 in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to its Gillully "B" Well No. 3 located in Unit N and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33, with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 360 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

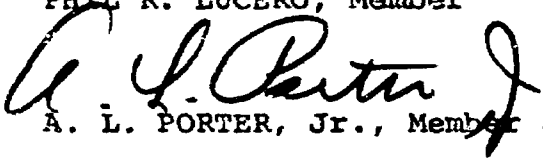
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

  
PHIL R. LUCERO, Member

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

S E A L

dr/

FUMONT GAS POOL  
(YATES SEVEN RIVERS QUEEN)

GILLULY B FEDERAL R/A A #3

	<u>Status</u>	<u>Production (MCF)</u>	<u>Underage (MCF)</u>
January 1973	N	25,144	41,995
February	N	22,029	63,921
March	N	23,539	88,056
April	N	21,743	101,041
May	N	23,862	114,129
June	N	21,471	125,399
July	N	21,550	131,593
August	N	23,843	136,268
September	M	22,911	137,488 Cancelled
October	M	22,514	
November	M	21,878	
December	M	21,985	
January 1974	M	21,988	
February	M	19,280	
March	M	20,933	
April	M	23,305	
May	M	20,501	
June	M	24,938	
July	M	20,393	
August	M	23,067	
September	M	20,475	

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
<i>Amoco's</i> EXHIBIT NO. <u>2</u>	
CASE NO.	<u>5380</u>
Submitted by	<u>Amoco</u>
Hearing Date	<u>1-8-75</u>

EUMONT GAS POOL  
(YATES SEVEN RIVERS QUEEN)

GAS UNITS WITH SIMULTANEOUS DEDICATION

NOVEMBER 1974

<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	M	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	M	4-20S-37E
NM "G" State 5E & 9G	640	M	23-21S-36E
NM "G" State Bat. 2 2P & 6M	640	M	26-21S-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 & 12-22S-37E
W. A. Ramsay NCT A 20E & 7N	640	M	35-21S-36E
A. B. Reeves 1L & 2E	320	M	29-20-37E
Harry Leonard NCT A 3B & 7M	480	N	22-21S-36E
<u>Atlantic Richfield Company</u>			
James H. Williams 1E & 5F	240	M	34-19S-37E
State H 10 & 3J	160	N	5-21S-36E
Byrd Gas Com. 5E & 7C	320	N	11-20S-36E

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
*Amoco* EXHIBIT NO. 3  
CASE NO. 5380  
Submitted by Amoco  
Hearing Date 1-8-75

Dockets Nos. 2-75 and 3-75 are tentatively set for hearing on January 15 and January 22, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 8, 1975

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 5110: (Continued from July 10, 1974)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool. NOTE: This case will be dismissed.

CASE 5378: Application of Southern Union Production Company for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Aztec-Pictured Cliffs Pool underlying the NE/4 and in the Blanco-Mesaverde Pool underlying the N/2 of Section 3, Township 30 North, Range 11 West, San Juan County, New Mexico, to be dedicated to applicant's Lester Well No. 1, to be drilled at a standard location in the NE/4 of said Section 3 and dually completed in the Pictured Cliffs and Mesaverde formations. 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 the applicant as the operator of the well and a charge for the risk involved in drilling said well. Applicant further seeks approval for the dual completion (conventional) of said Lester Well No. 1 in such a manner as to produce gas from the Mesaverde and Pictured Cliffs formations.

CASE 5380: Application of Amoco Production Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully "B" Well No. 3, located in Unit N, and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33.

Dockets Nos. 5-75 and 6-75 are tentatively set for hearing on February 19 and March 5, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 1975

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 5406: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Oil Exploration, Inc., General Casualty Company of America and all other interested parties to appear and show cause why the Irwin Well No. 1, located in Unit D of Section 29, Township 21 North, Range 36 East, Union County, New Mexico, and the Irwin "A" Well located in Unit D of Section 29, Township 21 North, Range 36 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5407: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kelly Bell, Travelers Indemnity Co. and all other interested parties to appear and show cause why the Kelly Bell Laroe Well No. 1 located in Unit D of Section 19, Township 27 North, Range 22 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5408: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5380: (Continued & Readvertised)

Application of Amoco Production Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully "B" Well No. 3, located in Unit N, and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33.



ATWOOD, MALONE, MANN & COOTER  
LAWYERS

JEFF D. ATWOOD [1863-1960]  
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700  
SECURITY NATIONAL BANK BUILDING  
ROSWELL, NEW MEXICO 86201  
[505] 622-6221

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

January 6, 1975

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

RE: No. 5380  
Examiner Hearing for Wednesday, January 8, 1975

Dear Mr. Porter:

Would you please file the enclosed Entry of Appearance in the captioned case. The presentation will be handled by Guy Buell 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, )  
AN UNORTHODOX GAS WELL LOCATION )  
AND SIMULTANEOUS DEDICATION, LEA )  
COUNTY, NEW MEXICO. ) No. 5380

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, of Houston, Texas.

ATWOOD, MALONE, MANN & COOTER

BY 

P. O. Drawer 700  
Roswell, New Mexico

Attorneys for Amoco Production Company



## Amoco Production Company

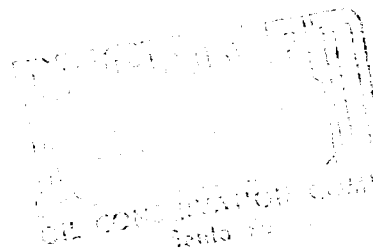
500 Jefferson Building  
P.O. Box 3032  
Houston, Texas 77001

E. E. Morris  
Division Engineer

December 13, 1974

File: DRC-986.51NM-4070

Re: Hearing Request  
Eumont Gas Pool  
Lea County, New Mexico



Mr. A. L. Porter, Jr. (3)  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

Amoco Production Company respectfully requests a hearing be scheduled for approval of a non-standard 360 acre proration unit in the Eumont Gas Pool to be simultaneously dedicated to two wells, the Gillully "B" Well No. 3 and "B" Well No. 15 located in Section 33, T20S, R37E, Lea County, New Mexico. The Gillully "B" Well No. 15 is to be drilled at a location 1980' FNL and 660' FEL of Section 33. Well No. 3 is located 660' FSL and 1980' FWL of Section 33.

Attached is a map of the area including the names of interested parties. It is respectfully requested that this matter be heard at the Examiner Hearing scheduled for January 8, 1975.

Yours very truly,

*E. E. Morris*

Attachments

GGG:as

DOCKET MAILED

Date 1-24-75

DOCKET MAILED

Date 12-26-74

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. 5380

Order No. R-4158

APPLICATION OF AMOCO PRODUCTION COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT, AN  
UNORTHODOX GAS WELL LOCATION, 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 February 5, 1975  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of February, 1975, 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 ~~the~~  
approval for a <sup>360-acre</sup> non-standard gas proration unit comprising  
the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33,  
in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool,  
Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said non-standard unit its Gillully "B" Well No. 3 located in Unit N and its Gillully "B" Well No. 15 to be drilled ~~at~~ at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33, with unit production to be taken from said wells in any proportion.

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

(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.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m. March 1, 1975, the applicant, Amoco Production Company, is hereby authorized to simultaneously dedicate its <sup>266</sup> non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33 in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to its Gillully "B" Well No. 3 located in Unit N and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33, with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 360 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.