

Case No.

650

Application, Transcript,
Small Exhibits, Etc.

N.C.

CASE 650: Amerada 160-acre gas pro-
duction unit (unorthodox) in the
Eumont Gas Pool

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico

Transcript of Hearing in
Case No.s 637, 645 and 650
Continued.

February 17, 1954
Regular Hearing.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 17, 1954
Afternoon Session

In the Matter of:

Case 637, involving Skelly's request for approval of 40-acre unorthodox gas proration unit (SW/4 SW/4 25-19S-36E) was combined upon request of both operators with Amerada's Case 645 requesting approval of a 160-acre unorthodox gas proration unit composed of E/2 W/2 25-19S-36E. Both involve Eumont Gas Pool units, and were originally set for hearing January 20, 1954.

Case No.s
637
645
&
650

Continued.

Amerada's application for approval of Eumont Gas Pool 160-acre unorthodox unit composed of S/2 N/2 30-20S-37E.

(Notice of Publication read).

MR. SPURRIER: The next case on the docket is Consolidated Case 637 and 645.

MR. WOODWARD: Mr. John A. Woodward, representing Amerada. If the Commission pleases, we would like to ask that cases 637, 645 and 650 be consolidated and heard together and that case 649, which is a similar application, be heard as a separate case thereafter.

MR. SPURRIER: Without objections, you may proceed, Mr. Woodward.

W. G. ABBOTT

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Q State your name, please. A W. G. Abbott.

Q Where do you live?

A I am located at Monument, New Mexico.

Q By whom are you employed; in what capacity?

A District Engineer for Amerada Petroleum Corporation.

Q Mr. Abbott, have you previously testified before this Commission as an expert witness, or in your capacity as engineer?

A Yes, sir.

MR. WOODWARD: Does the Commission accept Mr. Abbott's qualifications?

MR. SPURRIER: It does.

Q Applicant's first cases 634, 645 and 650 as consolidated. Mr. Abbott, I will hand you what is marked as Exhibit A. Will you tell what it is?

A This is a plat showing our proposed unorthodox unit for our State "T" lease in the Eumont Gas Pool.

Q I hand you what has been marked Exhibit B, will you tell what it is?

A This is application for the unorthodox gas proration unit for the Amerada, State "T" lease, Eumont Gas Pool, Lea County, New Mexico.

Q Mr. Abbott, I hand you what has been marked Exhibit A, will you tell what it is?

A This is a plat showing our proposed gas proration unit for our Weir B lease, Eumont Gas Pool.

Q That is Exhibit A in case 650? A Yes, sir.

Q I hand you what has been marked Exhibit B in case 650, tell what it is.

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COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

A This is the application for the unorthodox gas proration unit for Amerada Weir B lease, Eumont Gas Pool, Lea County, New Mexico.

Q Mr. Abbott, I hand you what has been marked as Exhibit C. Will you tell what it is, please?

A Exhibit C shows the two sections that are involved in these two applications showing our proposed gas proration units, and also other proration units that can be formed out of this two-section area.

Q Exhibit A and B in cases 645 and 650, and Exhibit C in cases 637, 645 and 650 are offered in evidence.

MR. SPURRIER: Without objection they will be admitted.

Q Mr. Abbott, will you identify on Exhibit C the unit well on each of these proposed proration units? You can point them out up there.

A On our State "T" lease, this is our State "T" - 3 well here. This is our proposed unit outlined in red. This other unit is our Weir-B lease, outlined in red here with the proposed dual completion number one well.

Q Will you locate the well in 6K37?

A It is this Skelly well.

Q Yes.

A Skelly Christmas number one with a proposed unit there.

Q In what common source, or sources, are these wells completed, or authorized for completion?

A That would be the Eumont Gas Pool.

Q When were these wells completed, or authorized for completion?

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A They were authorized prior to the -- what case number?

Q Prior to the issuance of any proration order for the Eumont field?

A Yes, sir.

Q In your opinion, is it practical to communitize portions of acreage covered by these applications with other lands to form orthodox proration units?

A No, sir, it is not practical.

Q Does the factor of retroactively adjusting wells cost have anything to do with the practicality of communitising portions of these tracts with other lands?

A Yes, sir.

Q In your opinion, will granting these applications permit the Commission to establish other proration units in these two sections which will satisfactorily account for all acreage?

A Yes, sir.

Q In the area shown there?

A Yes.

Q Will granting these applications affect the formation of proration units outside of these two sections in any manner whatever?

A No, it will not affect any proration units outside these two sections.

Q It will not start a chain reaction of applications for other unorthodox units outside of those two sections?

A No, sir.

Q How many partnership units would be necessary if orthodox proration units are continued for these two sections? Well, is there any quarter-section that wouldn't be a partnership unit?

A No, sir.

Q That would make eight?

A Eight quarter-sections.

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Q What are the maximum number of partnership units necessary under the disposition of acreage in these two units that are shown on Exhibit C?

A I believe it would be two.

Q That is the southeast quarter which is an orthodox unit as it stands, and the west half of the southwest quarter?

A Yes, sir.

Q How about the east half of the east half of section 25?

A Yes, sir, it would necessitate formation unit.

Q That would be the Maxwell? A Yes.

Q Considering the practicality of creating partnership units as to acreage, on which producing gas wells are located, will the disposition of the acreage shown on Exhibit C which is possible under the units proposed by Amerada, will such disposition of acreage tend to decrease the drilling of additional wells, in your opinion?

A In my opinion it will.

Q Will granting these units result in waste or prejudice correlative rights in any way?

A No, sir.

MR. WOODWARD: That is all we have in the way of direct examination. We do have a statement of our position when the cross examination of the witness is completed.

MR. SPURRIER: Any questions of the witness?

MR. SELINGER: May I ask a question, please?

By MR. SELINGER:

Q With respect to both sections 25 and 26 under your proposed plan indicated by Exhibit C, all of the units will be 160 acres except two units, each of which will be 80 acres, is that correct?

A Yes, sir.

MR. SELINGER: If the Commission please, our application which

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PHONES 7-9645 AND 5-9546
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has been consolidated on file for some time, consolidated with cases 645 and 650, indicates an approval of a 40-acre unit described as the southwest, southwest section 25, 19S 36E. We wish to amend our application at this time to request the assignment of an allowable for approval of an 80-acre unorthodox gas proration unit to be defined as the east half of the southwest quarter of section 25, township 19S, Range 36E which is in accordance with the Exhibit C as filed in this combined case.

MR. MACEY: You mean the west half of the southwest quarter?

MR. SELINGER: Yes, I mean the west half of the southwest quarter which is indicated on Exhibit C in the combined cases filed here. We wish the assignment of the 80-acres upon the consummation of deals now pending between Amerada and Skelly in that particular 80-acre tract. We desire the assignment of such acreage on the 80-acre basis on the consummation of such deal.

MR. SPURRIER: Anyone else?

MR. WHITE: If the Commission please, Charles White of Santa Fe, representing the Texas Company. We have no protest to the granting of the three applications. However, we would like to point out to the Commission that the Texas Company is the owner of the east half of the northeast and the west half of the northwest in 25, and 26, and if these unorthodox units are approved on the west and on the east, it will necessarily block the Texas Company in the position where they will by necessity have to appear before this Commission for an unorthodox unit which transgresses a sectional line.

MR. WOODWARD: If the Commission --

MR. MALONE: (Interrupting) May the Commission please, Ross

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Malone representing Gulf Oil Corporation. Gulf is the owner of the leases embracing the west half of the east half and the east half of the southeast quarter of section 25 which offsets the proposed Amerada unit on the east. In view of the ownership that exists in the two sections which have been referred to, it is the opinion of Gulf that difficulty will be considerably minimized if the application is granted. In the event it is granted, Gulf, of course, will request a similar non-standard unit to the east. But we have no objection to the granting of the application as stated.

MR. EVERETT: W. H. Everett representing Ohio Oil Company. We own the east half of the southwest quarter of section 26, and under the proposal as now made, it leaves that 80 acres without any acreage to be combined with. We have no objection and do support the application upon the assumption that if, as and when we wish to make application for an 80-acre unit, that these other companies will go along with that.

MR. WOODWARD: If the Commission please, I would like, if there is no further cross examination of the witness, make Amerada's position clear in this matter and why we have requested consideration of these two sections together.

MR. SPURRIER: Is there any further question of the witness? If not the witness may be excused.

(Witness excused.)

MR. WOODWARD: It is the applicant's position that the acreage in these two sections may be affected by these applications, therefore such acreage should be considered together within the outline shown on Exhibit C. However, applicant contends that affect of it's application is entirely confined to the acreage within the outline

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and will have no chain reaction affect on any other acreage outside of the two sections. Each of the operators in the two sections have been notified of the two applications. It is our understanding that they have no objection to the formation of these two units. It is applicant's further understanding that Continental, owning the west half of the west half of section 26, desires to create in the future, or make application for a hundred and sixty acre unorthodox proration unit for gas, and that Ohio Company has no objection, as I understand their statement, to operating the east half of the southwest quarter of section 26 as a fractional proration unit. That Gulf is agreeable to the operation of the southeast quarter of section 26 as an orthodox proration unit, or it's acreage in the southwest quarter operated as a fractional unit depending on what arrangement they make with other operators in that orthodox unit. And that Skelly is agreeable to the operation of the west half of the southwest quarter of section 25 as a fractional proration unit. Furthermore, applicant supports any future applications for the establishment of these units or other units as may be agreed upon by these operators which will satisfactorily account for all the acreage in these two sections. We do not believe that the granting of these applications will result in waste or prejudice correlative rights in any way, and that they will adequately develop the area covered. We are, therefore, not only requesting these applications, but presenting this as a possibility of what may be done in satisfactorily disposing of all the acreage in the two sections.

MR. SPURRIER: Anyone else?

MR. KELLAHIN: ~~Mr. Kellahin representing Continental Oil~~

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Company. If these proposed units are approved, it will leave Continental Oil Company with the west half of the west half of section 26, and we join with Ohio Oil Company in expressing the hope that area, the west half of the west half of 26, would be approved as an unorthodox unit, and with that in mind we have no objection to the approval of these units.

MR. SPURRIER: Anyone else? If there is nothing further in these cases we will move on to case 649 and take these cases under advisement.

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing on Case numbers 637, 645 and 650 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 20th day of February, 1954.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

650
Exhibit B

C O P Y

December 24, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas

The Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

Attention: Mr. H. L. Johnsen

Attention: Mr. Ernest E. Merkt, Jr.

The Ohio Oil Company
Midland Tower Building
Midland, Texas

The Texas Company
P. O. Box 1720
Fort Worth, Texas

Attention: Mr. D. K. Spellman, Jr.

Attention: Mr. G. R. Brown

Re: Application for Unorthodox Gas
Proration Unit, Amerada Weir "B"
Lease, Eumont Gas Pool
Lea County, New Mexico

Gentlemen:

Attached please find our application for an unorthodox gas proration unit in the Eumont gas pool, Lea County, New Mexico.

The attached plat delineates our proposed unit and also leases of other companies within the section.

We suggest if you have objection to such a unit that you contact us prior to the Statewide hearing on January 20, 1954, in order that a satisfactory arrangement may be agreed upon, if possible.

Thank you for your cooperation in this matter.

Yours very truly,

AMERADA PETROLEUM CORPORATION

By

J. P. Hammond

RSC:vd

attachments

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date December 9, 1953

Amorada Pet. Corp. Weir "B" 1
Operator Lease Well No.

Name of Producing Formation - Pool Euxont

No. Acres Dedicated to the Well 160

SECTION <u>26</u>	TOWNSHIP <u>19-S</u>	RANGE <u>36-E</u>
CONTINENTAL	AMORADA	TEXAS
/	/	/
3 •	2 •	1 *
/	2 •	1 •
2 •	2 •	1 •
/	/	"B"
1 •	1 •	AMORADA
1 •	1 •	1 •
St. Corral	Weir	Notes

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name _____
Position District Superintendent
Representing Amorada Pet. Corp.
Address Boxer D - Santa Fe, New Mexico

(over)

Monument, New Mexico
December 9, 1953

Case 650

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

John Henry

DEC 14 1953

Re: Application for Unorthodox
Gas Proration Unit, Amerada
Weir B Lease, Eumont Gas Pool,
Lea County, New Mexico.

Gentlemen:

By this letter of application Amerada Petroleum Corporation wishes to state the following:

(1) That the E/2 of the NW/4 and the W/2 of the NE/4 of Section 26, Twp. 19-S, Rge 36-E, Lea County, are the Amerada Petroleum Corporation Weir B lease covering 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the wells located thereon.

(2) That permission to dually complete Well No. 1 in the Monument Pool and in the Eumont Gas Pool was granted by the Oil Conservation Commission in order DC-27 dated November 13, 1953. The well is located 1980 feet from the north and 1980 feet from the east lines of Section 26, Twp. 19-S, Rge. 36-E.

(3) That the authorized dual completion has not been done, but the applicant intends to effect the dual completion within 60 days.

(4) That the applicant proposes that the E/2 of the NW/4 and the W/2 of the NE/4 of Section 26, Twp. 19-S, Rge. 36-E be established as a 160 acre gas proration unit in exception to Rule 7 (a) of Order R-370-A, such unit to become effective upon completion of Well No. 1 as a gas well and compliance with Rule 12 of Order R-370-A.

(5) That unitization of this tract with other tracts to form standard proration units is impractical.

(6) That granting of this application will not interfere with the establishment of four 160 acre proration units in this Section 26.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation set a certain day upon which the application may be heard and after said hearing establish the proration unit as proposed in this application.

Respectfully Submitted,

AMERADA PETROLEUM CORPORATION

By: *D.C. Capps*
D. C. Capps
District Superintendent

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date December 9, 1953

Amerada Pet. Corp.

Weir "B"

1

Operator

Lease

Well No.

Name of Producing Formation - Pool Eunont

No. Acres Dedicated to the Well 160

SECTION 26 TOWNSHIP 19-S RANGE 36-E

CONTINENTAL	AMERADA	TEXAS
3.	2.	1 *
2.	2.	1.
1.	1.	7.
St. McGrail	Weir	Bates

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name _____

Position District Superintendent

Representing Amerada Pet. Corp.

Address Drawer D -- Monument, New Mexico

(over)

INSTRUCTIONS

1. Is this gas well a dual completion? Yes X No _____
2. If the answer to Question 1 is Yes, are there any other dually completed wells within the dedicated acreage?
Yes _____ No X _____

A separate plat must be filed for each gas well, outlining the area dedicated to such well and showing the location of all other wells (oil and gas) within the outlined area.

Mail in duplicate to the district office for the district in which the well is located.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 650
Order No. R-439

THE APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT TO
RULE 7 (a) OF ORDER NO. R-370-A IN ESTABLISH-
MENT OF AN UNORTHODOX GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF EAST
HALF NORTHWEST QUARTER AND WEST HALF
NORTHEAST QUARTER OF SECTION 26, TOWNSHIP
19 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on January 20, 1954, and on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Amerada Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 NW/4 and W/2 NE/4 of Section 26

containing 160 acres, more or less.

(4) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid lease known as Weir "B", No. 1, located 1980 feet from the north line and 1980 feet from the East line of Section 26, Township 19 South, Range 36 East, NMPM.

(5) That it is impractical to pool applicant's said lease with adjoining acreage in the north half of Section 26, Township 19 South, Range 36 East, NMPM, and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(6) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(7) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 NW/4 and W/2 NE/4 of Section 26

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Weir B, No. 1, located in the SW/4 NE/4 of Section 26, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable being determined in accordance with Rule 13 of Order R-370-A.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



R. R. SPURRIER, Secretary and Member

S E A L

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Application for Unorthodox
Gas Proration Unit, Amerada
Weir B Lease, Eumont Gas Pool,
Lea County, New Mexico.

Gentlemen:

By this letter of application Amerada Petroleum Corporation wishes to state the following:

(1) That the E/2 of the NW/4 and the W/2 of the NE/4 of Section 26, Twp. 19-S Rge. 36-E, Lea County, are the Amerada Petroleum Corporation Weir B lease covering 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the wells located thereon.

(2) That permission to dually complete Well No. 1 in the Monument Pool and in the Eumont Gas Pool was granted by the Oil Conservation Commission in order DC-27 dated November 13, 1953. The well is located 1980 feet from the north and 1980 feet from the east lines of Section 26, Twp. 19-S, Rge. 36-E.

dually

(3) That the authorized completion has not been done, but the applicant intends to effect the dual completion within 60 days.

(4) That the applicant proposes that the E/2 of the NW/4 and the W/2 of the NE/4 of Section 26, Twp. 19-S, Rge. 36-E be established as a 160 acre gas proration unit in exception to Rule 7 (a) of Order R-370-A, such unit to become effective upon completion of Well No. 1 as a gas well and compliance with Rule 12 of Order R-370-A.

(5) That unitization of this tract with other tracts to form standard proration units is impractical.

(6) That granting of this application will not interfere with the establishment of four 160 acre proration units in this Section 26.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Set a certain day upon which the application may be heard and after said hearing establish the proration unit as proposed in this application.

Respectfully submitted,

AMERADA PETROLEUM CORPORATION

By: D. C. Capps
District Superintendent

NOTE: The above mentioned Plat is on file
in the CCC office in Santa Fe, N. M.

N. M. Oil & Gas Engineering Committee
January 4, 1954
Hobbs, N. M.

M L
W J K

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 650
Order No. R- 439

THE APPLICATION OF *Amerada*
Petroleum Corporation
FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION TO RULE 7 (a) OF
ORDER NO. R-370-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF *E/2 NW/4 and*
W/2 NE/4 of Section 26,
Township 19 South, Range 36 East,
NMPM, Lea County, New Mexico
in the Cimarron Gas Pool.

BY THE COMMISSION:

ORDER OF THE COMMISSION

and on February 17, 1954 This cause came on for hearing at 9 o'clock a. m., on *January 20, 1954*
Feb at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this *April* day of *April*, 1954, the Commission, a
quorum being present, having considered the records and testimony adduced, and
being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose
thereof having been given as required by law, the Commission has jurisdiction of this
case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R- 370-A,
the Commission has power and authority to permit the formation of a gas proration
unit consisting of other than a legal quarter section after notice and hearing by the
Commission.

(3) That applicant, *Amerada Petroleum Corporation*,
is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of
other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM.

E/2 W/2
E/2 NW/4 and W/2 NE/4 of
Section 26

containing *160* acres, more or less.

Order No. R- 429

(4) That applicant, *Amerada Petroleum Corporation*, has a producing well on the aforesaid lease known as *Weir "B" No. 1* located *1980'* from the *North* line and *1980'* from the *East* line of Section 26, Township 19 South, Range 36 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-3704, and is located within the limits of the pool heretofore delineated and designated as the *Gas Pool*.

(5) ^{IMPRACTICAL} ~~(6)~~ That it is ~~impossible~~ to pool applicant's said lease with adjoining acreage in the *North half* of Section 26, Township 19 *South* Range 36 *East*, NMPM and that the owners of adjoining acreage in said ^{half} ~~quarter~~ sections have not objected to the formation of the proposed proration unit of *160* acres, but have expressly ~~consented thereto~~.

(6) ~~(7)~~ That unless a proration unit consisting of applicant's aforesaid ^{its} acreage is permitted, applicant will be deprived of the opportunity to recover ~~his~~ just and equitable share of the natural gas in the *Eumont* Gas Pool.

(7) ~~(8)~~ That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of *Amerada Petroleum Corporation* for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM.
C/2 NW/4 and W/2 NE/4 of
Section 26

be and the same
is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created ~~and approved~~.

Order No. R- 439

WEIR

(2) That applicant's well, *Weir B, no. 1*, located in the
SW/4 NE/4 of Section 26, Township 19 South, Range 36 East, NMPM,
shall be granted an allowable from ~~January 1, 1954~~ in the proportion that the above
described 160 acre unit bears to the standard or orthodox proration unit for
said pool, all until further order of the Commission, *the effective date*
of said allowable being determined in accordance with

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

✓ Rule 13 of order R-370A.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

(S E A L)