

CASE 6534: AMOCO PRODUCTION COMPANY
FOR SIMULTANEOUS DEDICATION AND AN UN-
ORTHODOX LOCATION, LEA COUNTY, NEW MEX.

CASE NO.

6534

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
9 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production for simult-) CASE
aneous dedication and an unorthodox location.) 6534
Lea County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

For the Applicant:

Richard Merrill, ESQ.
Amoco Production Company
Houston, Texas

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I N D E X

JAMES E. PEASE

Direct Examination by Mr. Merrill

3

Cross Examination by Mr. Nutter

9

E X H I B I T S

Amoco Exhibit One, Plat

5

Amoco Exhibit Two, Tabulation

5

Amoco Exhibit Three, Tabulation

6

Amoco Exhibit Four, Production Curve

7

Amoco Exhibit Five, Production Curve

7

Amoco Exhibit Six, Production Curve

7

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1 MR. NUTTER: We will call now Case Number
2 6534. Application of Amoco Production for simultaneous
3 dedication and an unorthodox location, Lea County, New
4 Mexico.

5 MR. MERRILL: Mr. Examiner, my name is
6 Richard Merrill. I am an attorney with Amoco Production
7 Company. We have on file in this case a letter of appear-
8 ance from Atwood, Malone, Mann & Cooter, and I have one
9 witness to call, Mr. Jim Pease.

10 MR. NUTTER: How do you spell you last
11 name, please?

12 MR. MERRILL: M-E-R-R-I-L-L. I have
13 furnished you three copies of all of our exhibits.

14 MR. NUTTER: Thank you.

15 JAMES E. PEASE

16 being called as a witness and having been duly sworn upon
17 his oath, testified as follows, to-wit:

18 DIRECT EXAMINATION

19 BY MR. MERRILL:

20 Q. Mr. Pease, would you please state your full
21 name, occupation and place of employment for the record.

22 A. James E. Pease. I am employed by Amoco
23 Production Company as a staff petroleum engineer in
24 Houston, Texas.

25 Q. Have you previously testified before this
Commission and are your qualifications a matter of public

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1 record?

2 A. I have, and they are.

3 MR. MERRILL: Mr. Examiner, do you have
4 any further questions about qualifications of this witness?

5 MR. NUTTER: No, Mr. Pease is qualified.

6 Q. (Mr. Merrill continuing) Thank you. Mr.
7 Pease, you are aware of the application and what it
8 contains. Would you please make a brief statement.

9 A. Our application is for a permit to drill
10 the Amoco Gilluly Fed. Well No. 17 at a location 2,200
11 feet from the north line and 660 feet from the east line
12 of Section 24, Township 20 South, Range 36 East, Lea
13 County, New Mexico. The Gilluly Federal Lease is a
14 480-acre unit. The pool rules require 640-acre units
15 as standard for gas. The exception for this non-standard
16 unit was originally authorized by Order Number R1177 in
17 May of 1958. An order authorizing a second well with
18 simultaneous dedication and the second well also to be
19 an unorthodox was approved by Order Number -- this was
20 well Number 7 -- was approved by Order Number R4848,
21 July of 1974. A third well for this unit, also un-
22 orthodox, was approved by -- that's Number 15 -- was
23 approved by Order R5639 in February of 1978.

24 Q. Mr. Pease, I would like now to turn
25 your attention to what has been marked as Amoco Exhibit

1 One. Would you describe what this exhibit shows.

2 A. Exhibit Number One is a map of the
3 southeast portion of the Eumont Pool which covers the
4 Yates, the Seven Rivers, and the Queens formation. Shown
5 on Exhibit One by the orange dots are the current
6 Eumont gas wells. The Gilluly Federal Unit 480-acres is
7 outlined by a heavy dash blue line and the location for
8 the Number 17 well is shown by a red dot and a red arrow.

9 Q. You have also shown a number of wells
10 in orange on this. What are those wells?

11 A. These are the current gas completions
12 in Eumont Pool.

13 Q. Okay. And on the 480-acre unit is
14 there anywhere that a well could be located in an
15 orthodox location?

16 A. No, sir, there is not. Not according to
17 the general rules and regulations for prorated gas in
18 Southeastern New Mexico.

19 Q. Okay. Now, I would like to turn your
20 attention to what has been marked as Amoco Exhibit Number
21 Two, and would you give us a brief description of what this
22 exhibit is.

23 A. Exhibit Two is a tabulation showing the
24 previously approved multiple well units with simultaneous
25 dedication for the Eumont Gas Pool. A list is there by

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1 operator and then by the lease with the well number
2 following the lease name and then we have the unit size,
3 status of the unit, whether it is a marginal or not
4 marginal producing unit, and then the location of the unit.

5 Q. Now, would you say that it would be a
6 fair statement that it is not an unusual practice in this
7 area and in the Eumont Gas Pool to have units with
8 simultaneous dedication of wells?

9 A. It is a common practice. There is
10 forty units listed on this tabulation.

11 Q. And also from the tabulation does it
12 appear that there are a number of these units that have
13 wells on density patterns of 120 acres or less?

14 A. That is correct.

15 Q. Now I would like to turn your attention
16 to what has been marked as Amoco Exhibit Number Three.
17 Would you please describe what this exhibit shows.

18 A. Exhibit Number Three is a tabulation
19 by time on the far left-hand side I have the month and
20 the year. In the next column is the -- for the Eumont
21 Pool, the allowable for 480-acre non-marginal unit for
22 each of these months. The next four columns are production
23 data for the Amoco Gilluly Federal Unit. I have the
24 production list for each of the wells and then the total
25 for the unit. The far right-hand column I have listed

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1 total production from the Eumont Gas Pool for each of
2 those months.

3 Q. Okay. From this exhibit does this show
4 that Amoco is producing far less than the allowable on a
5 non-marginal basis for the 480-acre unit?

6 A. That is correct. It is making
7 substantially less than half of the allowable of a non-
8 marginal unit.

9 Q. Is there anything further that you would
10 like to state in regard to this exhibit?

11 A. Well, the exhibit also shows that the
12 Amoco Gilluly lease produces less than 1 percent of the
13 total pool production.

14 Q. Okay. Now, I would like to turn your
15 attention to what has been marked as Amoco Exhibit Numbers
16 Four, Five and Six and would you take them in order and
17 explain each one.

18 A. Exhibits Four, Five and Six are gas
19 production curves for the three existing wells on the
20 Amoco Gilluly Unit. Exhibit Four is for Well Number 4,
21 Exhibit Five is for Well Number 7, and Exhibit Six is for
22 Well Number 15.

23 Q. Okay. Now, on these exhibits you show
24 the production from, I believe, in 1975 is Number 4, and
25 Number 7 well, is that correct?

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1 A. That is correct.

2 Q. And then you show the projected decline
3 of production after that time at least for Exhibits Four
4 and Five.

5 A. That is correct. This is about 11 percent
6 annual decline rate.

7 Q. And on Exhibit Number Six have you
8 shown a decline rate there?

9 A. No, I haven't because this well has
10 only been in production about seven or eight months.

11 Q. And it is too early to tell exactly
12 what this well will do?

13 A. That is right.

14 Q. Okay. In your opinion what do you
15 estimate as the additional recovery of gas that would
16 be attributable to the proposed well Number 17 allowed?

17 A. I estimate that Well Number 17 will
18 produce about 1 BCF. This is based on initial producing
19 rate of 320 MCF per day which is about the average for
20 the wells in the vicinity where it will be located and
21 I also used the 11 percent decline as exhibited by Wells
22 Number 4 and 7.

23 Q. In your opinion will drilling of this
24 well at the proposed location protect correlative rights?

25 A. Yes, it will help protect correlative

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1 rights.

2 Q. And will it also help prevent waste?

3 A. Yes.

4 Q. And do you feel that this well is
5 necessary to effectively and efficiently drain that
6 portion of the reservoir covered by the proration unit
7 which could not be effectively and efficiently drained
8 by any producing well on the proration unit?

9 A. I do.

10 MR. MERRILL: At this time, Mr. Examiner,
11 I would like to introduce our Exhibits One through Six
12 into evidence.

13 MR. NUTTER: Amoco Exhibits One through
14 Six will be admitted.

15 MR. MERRILL: I have no further
16 questions. I will pass the witness.

17 CROSS EXAMINATION

18 BY MR. NUTTER

19 Q. Now, Mr. Pease, I presume that these
20 figures shown Exhibit Three are capacity production
21 figures of these three wells, is that it?

22 A. Yes, sir.

23 Q. They are producing under capacity and
24 making less than half of the allowable that would be
25 assigned to the 480-acre unit?

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- 1 A. That is correct.
- 2 Q. So that if there is additional gas to
- 3 be recovered these wells apparently aren't recovering it
- 4 as far as this unit is concerned?
- 5 A. That is correct.
- 6 Q. Now, you estimate that this Number 17
- 7 well should make about a billion cubic feet of gas?
- 8 A. Yes, sir.
- 9 Q. That is based on how much potential?
- 10 A. 320 MCF per day.
- 11 Q. And an 11 percent decline?
- 12 A. Yes, sir.
- 13 Q. Has the well been spudded yet?
- 14 A. No, sir.
- 15 Q. So by obtaining these findings that the
- 16 well is essential to efficiently and effectively drain
- 17 the presently existing proration unit and the well hasn't
- 18 been spudded it should be eligible under the FERC for a
- 19 new onshore well drilled on an existing proration unit.
- 20 A. That would be --
- 21 Q. It hasn't been spudded yet.
- 22 A. Yes, sir.
- 23 MR. NUTTER: Are there any further
- 24 questions of Mr. Pease? You may be excused. Do you
- 25 have anything further, Mr. Merrill?

MR. MERRILL: No, sir, I do not.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6534? We will take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd, C.S.R

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6534
 heard by me on 5/9 1979.
[Signature], Examiner
 Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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9 May 1979

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For the Applicant: Richard Merrill, Esq.
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I N D E X

JAMES E. PEASE

Direct Examination by Mr. Merrill 3

Cross Examination by Mr. Nutter 9

E X H I B I T S

Amoco Exhibit One, Plat 5

Amoco Exhibit Two, Tabulation 5

Amoco Exhibit Three, Tabulation 6

Amoco Exhibit Four, Production Curve 7

Amoco Exhibit Five, Production Curve 7

Amoco Exhibit Six, Production Curve 7

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1 MR. NUTTER: We will call now Case Number
2 6534. Application of Amoco Production for simultaneous
3 dedication and an unorthodox location, Lea County, New
4 Mexico.

5 MR. MERRILL: Mr. Examiner, my name is
6 Richard Merrill. I am an attorney with Amoco Production
7 Company. We have on file in this case a letter of appear-
8 ance from Atwood, Malone, Mann & Cooter, and I have one
9 witness to call, Mr. Jim Pease.

10 MR. NUTTER: How do you spell you last
11 name, please?

12 MR. MERRILL: M-E-R-R-I-L-L. I have
13 furnished you three copies of all of our exhibits.

14 MR. NUTTER: Thank you.

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16 being called as a witness and having been duly sworn upon
17 his oath, testified as follows, to-wit:

18 DIRECT EXAMINATION

19 BY MR. MERRILL:

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21 name, occupation and place of employment for the record.

22 A. James E. Pease. I am employed by Amoco
23 Production Company as a staff petroleum engineer in
24 Houston, Texas.

25 Q. Have you previously testified before this
Commission and are your qualifications a matter of public

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2 A. I have, and they are.

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4 any further questions about qualifications of this witness?

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6 Q. (Mr. Merrill continuing) Thank you. Mr.
7 Pease, you are aware of the application and what it
8 contains. Would you please make a brief statement.

9 A. Our application is for a permit to drill
10 the Amoco Gilluly Fed. Well No. 17 at a location 2,200
11 feet from the north line and 660 feet from the east line
12 of Section 24, Township 20 South, Range 36 East, Lea
13 County, New Mexico. The Gilluly Federal Lease is a
14 480-acre unit. The pool rules require 640-acre units
15 as standard for gas. The exception for this non-standard
16 unit was originally authorized by Order Number R1177 in
17 May of 1958. An order authorizing a second well with
18 simultaneous dedication and the second well also to be
19 an unorthodox was approved by Order Number -- this was
20 well Number 7 -- was approved by Order Number R4848,
21 July of 1974. A third well for this unit, also un-
22 orthodox, was approved by -- that's Number 15 -- was
23 approved by Order R5639 in February of 1978.

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1 One. Would you describe what this exhibit shows.

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3 southeast portion of the Eumont Pool which covers the
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5 on Exhibit One by the orange dots are the current
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1 operator and then by the lease with the well number
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1 total production from the Eumont Gas Pool for each of
2 those months.

3 Q. Okay. From this exhibit does this show
4 that Amoco is producing far less than the allowable on a
5 non-marginal basis for the 480-acre unit?

6 A. That is correct. It is making
7 substantially less than half of the allowable of a non-
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9 Q. Is there anything further that you would
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20 Amoco Gilluly Unit. Exhibit Four is for Well Number 4,
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22 Well Number 15.

23 Q. Okay. Now, on these exhibits you show
24 the production from, I believe, in 1975 is Number 4, and
25 Number 7 well, is that correct?

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1 A. That is correct.

2 Q. And then you show the projected decline
3 of production after that time at least for Exhibits Four
4 and Five.

5 A. That is correct. This is about 11 percent
6 annual decline rate.

7 Q. And on Exhibit Number Six have you
8 shown a decline rate there?

9 A. No, I haven't because this well has
10 only been in production about seven or eight months.

11 Q. And it is too early to tell exactly
12 what this well will do?

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14 Q. Okay. In your opinion what do you
15 estimate as the additional recovery of gas that would
16 be attributable to the proposed well Number 17 allowed?

17 A. I estimate that Well Number 17 will
18 produce about 1 BCF. This is based on initial producing
19 rate of 320 MCF per day which is about the average for
20 the wells in the vicinity where it will be located and
21 I also used the 11 percent decline as exhibited by Wells
22 Number 4 and 7.

23 Q. In your opinion will drilling of this
24 well at the proposed location protect correlative rights?

25 A. Yes, it will help protect correlative

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1 rights.

2 Q. And will it also help prevent waste?

3 A. Yes.

4 Q. And do you feel that this well is
5 necessary to effectively and efficiently drain that
6 portion of the reservoir covered by the proration unit
7 which could not be effectively and efficiently drained
8 by any producing well on the proration unit?

9 A. I do.

10 MR. MERRILL: At this time, Mr. Examiner,
11 I would like to introduce our Exhibits One through Six
12 into evidence.

13 MR. NUTTER: Amoco Exhibits One through
14 Six will be admitted.

15 MR. MERRILL: I have no further
16 questions. I will pass the witness.

17 CROSS EXAMINATION

18 BY MR. NUTTER

19 Q. Now, Mr. Pease, I presume that these
20 figures shown Exhibit Three are capacity production
21 figures of these three wells, is that it?

22 A. Yes, sir.

23 Q. They are producing under capacity and
24 making less than half of the allowable that would be
25 assigned to the 480-acre unit?

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- 1 A. That is correct.
- 2 Q. So that if there is additional gas to
- 3 be recovered these wells apparently aren't recovering it
- 4 as far as this unit is concerned?
- 5 A. That is correct.
- 6 Q. Now, you estimate that this Number 17
- 7 well should make about a billion cubic feet of gas?
- 8 A. Yes, sir.
- 9 Q. That is based on how much potential?
- 10 A. 320 MCF per day.
- 11 Q. And an 11 percent decline?
- 12 A. Yes, sir.
- 13 Q. Has the well been spudded yet?
- 14 A. No, sir.
- 15 Q. So by obtaining these findings that the
- 16 well is essential to efficiently and effectively drain
- 17 the presently existing proration unit and the well hasn't
- 18 been spudded it should be eligible under the FERC for a
- 19 new onshore well drilled on an existing proration unit.
- 20 A. That would be --
- 21 Q. It hasn't been spudded yet.
- 22 A. Yes, sir.
- 23 MR. NUTTER: Are there any further
- 24 questions of Mr. Pease? You may be excused. Do you
- 25 have anything further, Mr. Merrill?

MR. HERRELL: No, sir, I do not.

MR. HUTTER: Does anyone have anything they wish to offer in Case Number 6534? We will take the case under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6534
heard by me on 1/9 1979.
 Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6534
Order No. R-6009-A

APPLICATION OF AMOCO PRODUCTION
FOR SIMULTANEOUS DEDICATION AND AN
UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6009 dated May 15, 1979, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That the 7th line of Finding No. (3) on Page 1 of Order No. R-6009 be and the same is hereby corrected to read in its entirety as follows:

"...No. 17, at an unorthodox location 2200 feet from the North line..."

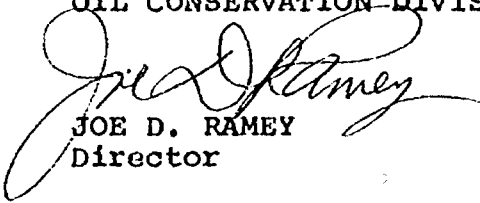
(2) That the 3rd line of Order No. (1) on Page 2 of Order No. R-6009 be and the same is hereby amended to read in its entirety as follows:

"...17, to be drilled at a point 2200 feet from the North line and..."

(3) That the corrections set forth in this order be entered nunc pro tunc as of May 15, 1979.

DONE at Santa Fe, New Mexico, on this 23rd day of May, 1979.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S
fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6534
Order No. R-6009

APPLICATION OF AMOCO PRODUCTION
FOR SIMULTANEOUS DEDICATION AND
AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of May, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Amoco Production, seeks approval
for the simultaneous dedication of its Gilluly Fed. Well No. 17
at an unorthodox gas well location in Unit H of Section 24, Town-
ship 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County,
New Mexico, along with the three wells now dedicated to the
previously approved 480-acre unit comprising the N/2 and SE/4
of said Section 24.
- (3) That the evidence presented demonstrates that the
three existing wells on the proration unit, namely the Gilluly
Federal Gas Com. Wells Nos. 4, 7, and 15, located in Units B,
O, and E, respectively, of said Section 24, are not effectively
and efficiently draining the entire 480-acre unit, and the
drilling of the subject well, the Gilluly Federal Gas Com Well
No. 17, at an unorthodox location 1980 feet from the North line
and 660 feet from the East line of said Section 24, is necessary
to effectively and efficiently drain that portion of the unit
not being so drained by the existing wells.

-2-

Case No. 6534
Order No. R-6009

(4) That the drilling of said Well No. 17 at the above location and the simultaneous dedication of said well to the unit should result in the production of additional gas which would otherwise be left unrecovered, thus preventing waste, and should be approved as an exception to the standard well spacing requirements for the Eumont Gas Pool.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That Division Order No. R-1177 which originally approved the subject 480-acre non-standard gas proration unit, and Division Orders Nos. R-4848 and R-5639, which authorized simultaneous dedication of additional wells to said unit, should be superseded.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location is hereby approved for the Amoco Production Company Gilluly Federal Gas Com Well No. 17, to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 24, Township 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, and said well is hereby approved for simultaneous dedication, with applicant's Gilluly Federal Gas Com Wells Nos. 4, 7, and 15, located in Units B, O, and E, respectively, of said Section 24, to the non-standard Eumont gas proration unit comprising the N/2 and SE/4 of said Section 24.

(2) That Division Orders Nos. R-1177, R-4848, and R-5639 are hereby superseded.

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

-3-

Case No. 6534
Order No. R-6009

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E A L

fd/

Dockets Nos. 20-79 and 21-79 are tentatively set for hearing on May 23 and June 13, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1979

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

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

- CASE 6544: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Geologic Resources, Inc., United States Fire Insurance Company, and all other interested parties to appear and show cause why the B. T. Godec Strat. Test Well No. 1 located in Unit I of Section 25, Township 12 North, Range 8 East, Santa Fe County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6492: (Continued from April 25, 1979, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6534: Application of Amoco Production for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its Gilluly Fed. Well No. 17 at an unorthodox location in Unit H of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, along with the three wells now dedicated to the previously approved 480-acre unit comprising the N/2 and SE/4 of said Section 24.
- CASE 6535: Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.
- CASE 6536: Application of Black River Corp. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well NO. 3 located in Unit P.
- CASE 6537: Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6538: Application of Bedford, Inc., for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit G of Section 8, Township 26 North, Range 12 West, WAW Fruitland-Pictured Cliffs Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6539: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 7 located in Unit G of Section 6, Township 23 South, Range 31 East, Eddy County, New Mexico, to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing.
- CASE 6540: Application of Caulkins Oil Company for an NGPA determination, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a Section 108 stripper gas well determination for its State B Well No. 233 located in Unit D of Section 16, Township 26 North, Range 6 West, South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.
- CASE 6541: Application of Sun Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State H Well No. 17, 1328 feet from the North line and 1336 feet from the East line of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.

ATWOOD, MALONE, MANN & COOTER

A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]

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

RECEIVED
MAY - 7 1979
OIL CONSERVATION DIVISION
CHARLES F. MALONE
RUSSELL O. MANN
PAUL A. COOTER
BOB F. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE
RANDAL W. ROBERTS
STEVEN L. BELL

May 4, 1979

Mr. Joe Ramey
Secretary Director
Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Examiner Hearing - Wednesday, May 9,
1979 - Cause No. 6534

Dear Mr. Ramey:

We would appreciate your filing the enclosed
Entry of Appearance for Amoco Production Company in
Cause No. 6534.

Your assistance in this matter is greatly
appreciated.

Very truly yours,

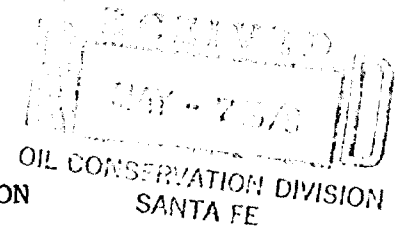

Charles F. Malone

CFM:sgs
Enc.

cc: Richard Merrill, Esquire
w/enc.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
SIMULANEOUS DEDICATION AND UN-)
ORTHODOX LOCATION, GILLULY FED-) No. 6534
ERAL WELL NO. 17, EUMONT GAS)
POOL, LEA COUNTY, NEW MEXICO.)

ENTRY OF APPEARANCE

The undersigned hereby enter appearance in behalf
of Amoco Production Company with Richard Merrill of Houston,
Texas.

ATWOOD, MALONE, MANN & COOTER, P.A.

By Charles E. Malone
Post Office Drawer 700
Roswell, New Mexico 88201

**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>Amoco</u>			
Gillully Fed Gas Com 4B, 70 & 15E	480	M	24-20S-36E
Gillully "B" Fed FA "A" 3N & 15H	360	M	33-20S-37E
State C tr 11 1X, 51 & 6R	320	M	2-21S-36E
Gillully "B" Fed RA "A" 7K & 16M	240	M	22-20S-37E
<u>Amerada Hess</u>			
State O 1B & 50	160	M	30-19S-37E
State U Gas Com 1E & 2C	240	M	32-19S-37E
<u>Arco</u>			
J. M. Brownlee 1K & 4N	160	M	25-21S-36E
Byrd Gas Com 5E & 7C	320	M	11-20S-36E
J. R. Phillips "B" 5E & 6	160	M	31-19S-37E
State 157 D 4I & 7N	160	M	12-22S-36E
State 176 3J, 6C & 4G	137	M	19-21S-36E
State F DE 1E, 3K & 4M	185	M	19-21S-36E
State H 10 & 3J	160	M	5-21S-36E
<u>Conoco</u>			
Britt "B" 15M & 250	280	N	10&15-20S-37E
Britt "B" 18 3J & 6P	160	M	18-20S-37E
Britt Skaggs Com 1P & 2K	320	M	10&11-20S-37E
Lockhart "A" 18 3K & 4M	228	M	18-21S-36E
Lockhart "B" 4H, 7D & 8P	480	M	13&14-21S-36E
Lockhart "B" 1 4G & 6P	320	M	1-22S-36E
Meyer "B" 4 4S & 29P	360	M	4-21S-36E
Reed A-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12? & 13G	640	M	14-20S-36E
State "J" 2 9G, 12D & 7S	240	M	2-22S-36E
State "O" 20 5M 60	320	N	20-21S-36E
<u>El Paso</u>			
Shell E State Com 1J & 2N	230	M	6-21S-36E
<u>Exxon</u>			
Eumont Gas Com #1 1J & 2L	640	M	4-20S-37E
Eumont Gas Com #3 1A & 2G	160	M	35-20S-36E
New Mexico "G" State BTY 2P & 6M	640	M	26-21S-36E
<u>Gulf</u>			
Arnott Ramsay NCT D 3F & 15	320	M	33-21S-36E
Campbell Houston Gas Com 2K & 7J	310	M	7-21S-36E
S. E. Felton 1P & 20	160	M	28-21S-36E
Harry Leonard NCT A 3B, 7M & 12P	480	M	22-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1&12-22S-36E
W. A. Ramsey NCT "A" 17J & 46E	640	M	27-21S-36E
W. A. Ramsey NCT "A" 3, 7N, 8 & 20E	640	M	35-21S-36E
W. A. Ramsey NCT "B" Com 1F & 2E	320	M	25-21S-36E
A. B. Reeves 1L & 2B	320	M	29-20S-37E
<u>Mobil</u>			
E. O. Carson 4N, 22L & 23G	320	M	28&33-21S-37E
<u>Union Texas Petroleum Corporation</u>			
Britt 3G & 12C	320	M	7-20S-37E
<u>Zia Energy</u>			
Elliot Federal 1I & 2J	160	M	26-20S-36E

BEFORE EXAMINER NOTED
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 2
CASE NO. 6534

EUMONT GAS POOL

MONTH	YEAR	ALLOWABLE FOR 480 ACRE NON-MARGINAL UNIT, MCF	PRODUCTION DATA, MCF AMOCO GILLULLY FED GAS COM				POOL TOTAL
			4B	70	15E	TOTAL	
January	1978	84,909	15,669	15,984	0	31,653	5,729,867
February	1978	76,029	14,495	14,357	0	28,852	5,220,668
March	1978	117,026	16,347	13,873	0	30,220	5,034,002
April	1978	117,149	16,200	13,821	0	30,021	4,346,878
May	1978	111,148	16,457	17,056	0	33,513	3,770,082
June	1978	89,872	11,047	10,721	0	21,768	2,694,712
July	1978	87,177	15,171	15,977	0	31,148	4,205,328
August	1978	83,733	15,337	15,131	3,916	34,384	5,115,653
September	1978	83,463	13,476	13,468	9,459	36,403	4,563,024
October	1978	89,523	13,982	13,905	9,424	37,311	5,178,151
November	1978	93,477	10,589	11,110	5,966	27,665	5,167,306
December	1978	99,684	10,844	10,603	5,247	26,694	5,885,955
January	1979	99,798	12,786	13,109	7,643	33,538	5,635,757
February	1979	84,723	13,187	13,614	8,253	35,054	5,167,560

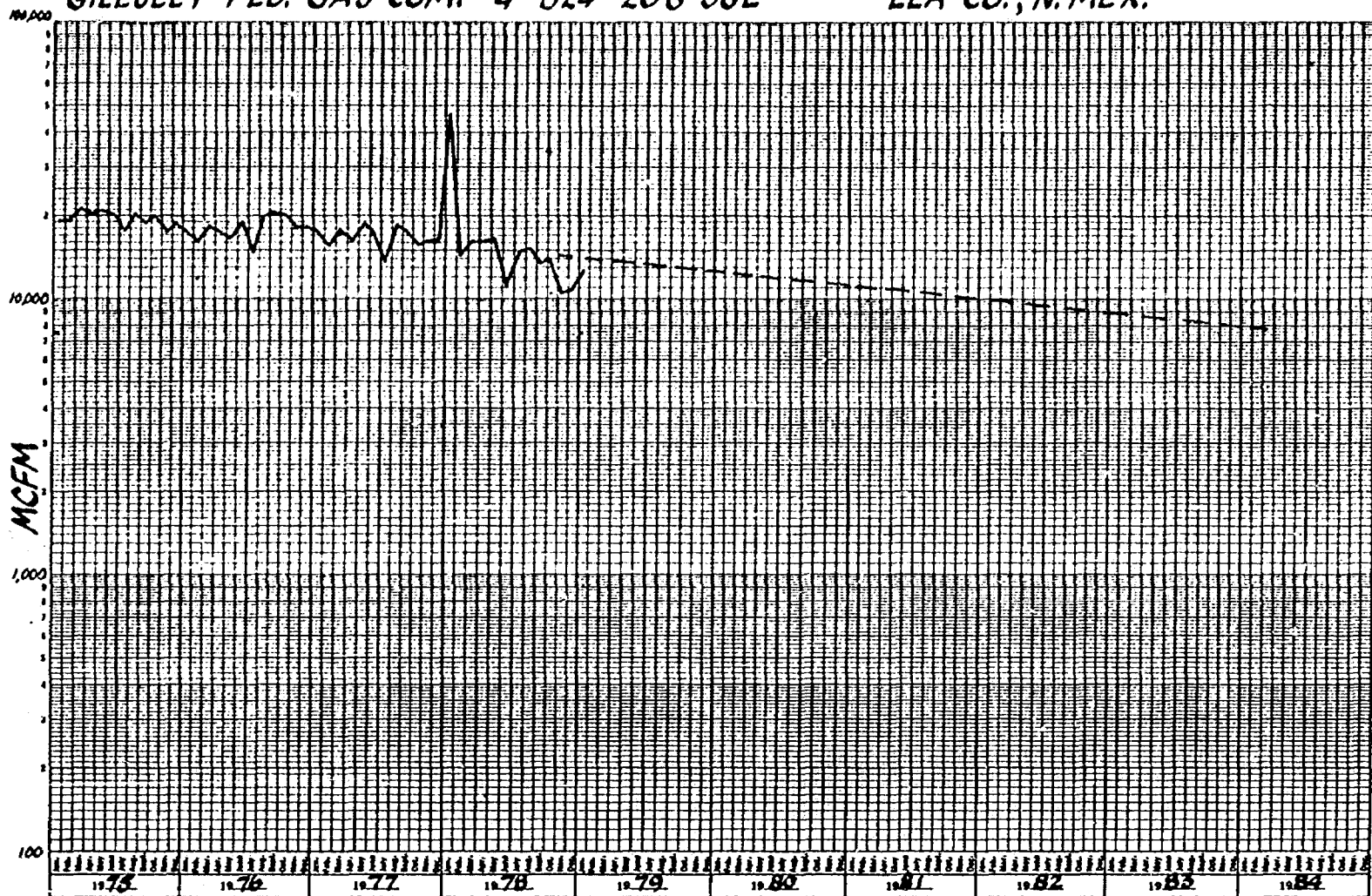
BEFORE EXAMINER NUTTER
 OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 3
 CASE NO. 6534

EUMONT (QUEEN) GAS FIELD

AMOCO

GILLULLY FED. GAS COM. #4 824 208 36E

LEA CO., N. MEX.



BEFORE EXAMINER MUTTER

OIL CONSERVATION DIVISION

Amoco EXHIBIT NO. 4

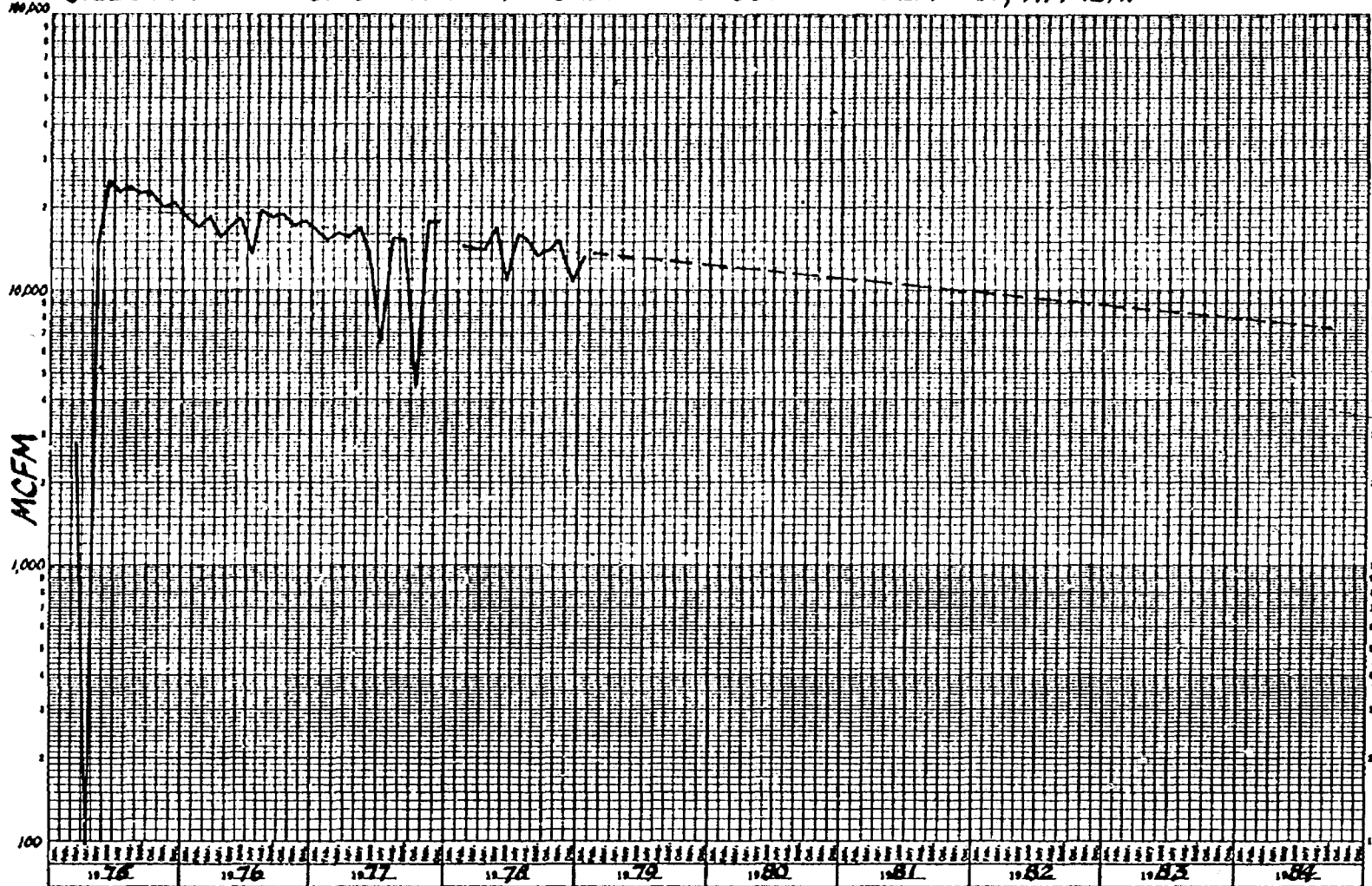
CASE NO. 6534

EUMONT (QUEEN) GAS FIELD

APPROX

GILLULLY FED. GAS COM. #7 024 208 36E

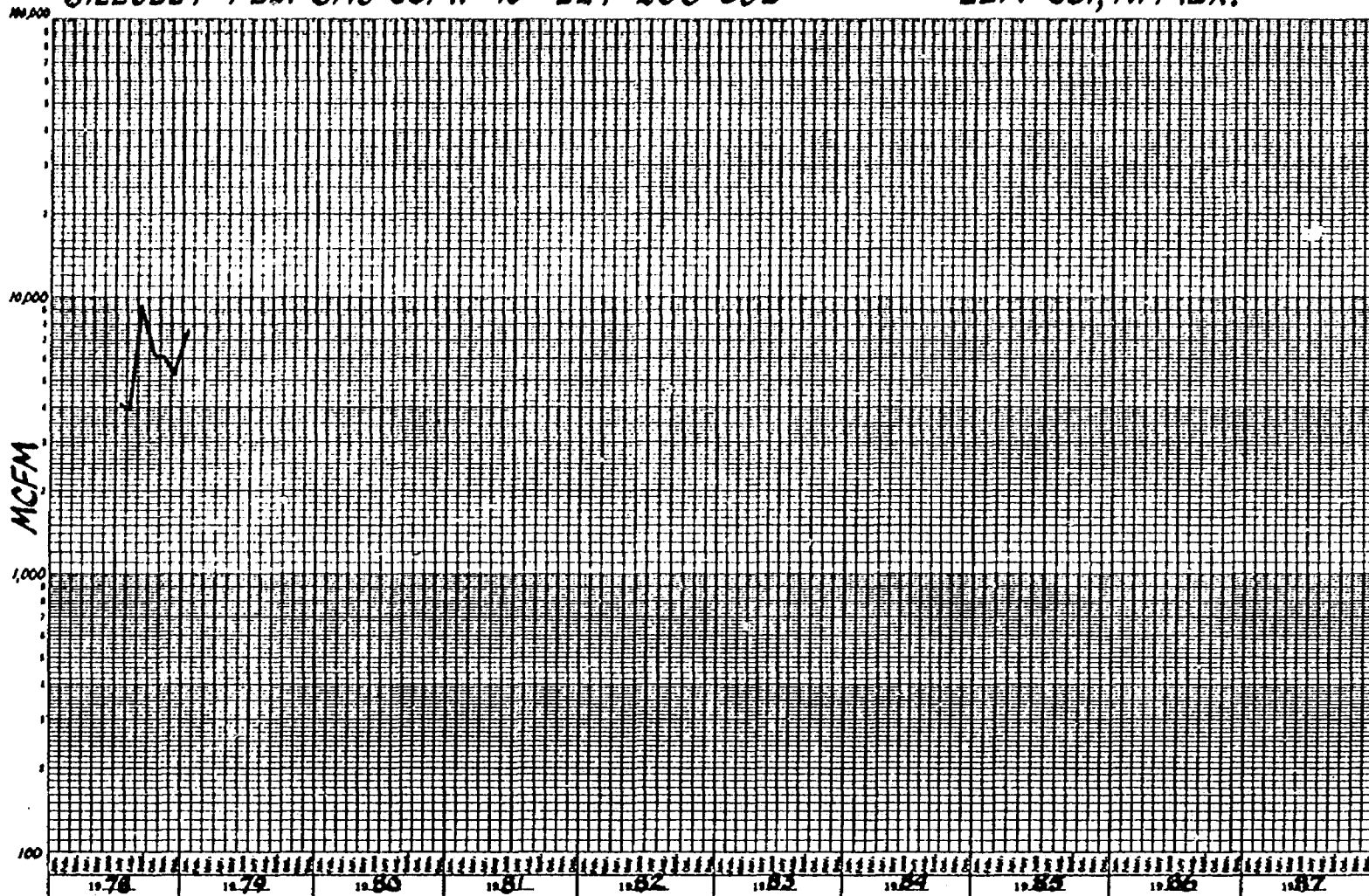
LEA CO., N. MEX.



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Amoco IDENT NO. 5
CASE NO. 6534

EUMONT (QUEEN) GAS FIELD AMOCO
GILLULLY FED. GAS COM. #15 E24 208 36E

LEA CO., N. MEX.



BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

AMOCO DEED NO. 6

CASE NO. 6534

**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>Amoco</u>			
Gillully Fed Gas Com 4B, 70 & 15E	480	M	24-20S-36E
Gillully "B" Fed FA "A" 3N & 15H	360	M	33-20S-37E
State C tr 11 1X, 51 & 6R	320	M	2-21S-36E
Gillully "B" Fed RA "A" 7K & 16M	240	M	22-20S-37E
<u>Amerada Hess</u>			
State O 1B & 50	160	M	30-19S-37E
State U Gas Com 1E & 2C	240	M	32-19S-37E
<u>Arco</u>			
J. M. Brownlee 1K & 4N	160	M	25-21S-36E
Byrd Gas Com 5E & 7C	320	M	11-20S-36E
J. R. Phillips "B" 5E & 6	160	M	31-19S-37E
State 157 D 41 & 7N	160	M	12-22S-36E
State 176 3J, 6C & 4G	137	M	19-21S-36E
State F DE 1E, 3K & 4M	185	M	19-21S-36E
State H 10 & 3J	160	M	5-21S-36E
<u>Conoco</u>			
Britt "B" 15M & 250	280	N	10&15-20S-37E
Britt "B" 18 3J & 6P	160	M	18-20S-37E
Britt Skaggs Com 1P & 2K	320	M	10&11-20S-37E
Lockhart "A" 18 3K & 4M	228	M	18-21S-36E
Lockhart "B" 4H, 7D & 8P	480	M	13&14-21S-36E
Lockhart "B" 1 4G & 6P	320	M	1-22S-36E
Meyer "B" 4 4S & 29P	360	M	4-21S-36E
Reed A-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12P & 13G	640	M	14-20S-36E
State "J" 2 9G, 12D & 7S	240	M	2-22S-36E
State "O" 20 5M 60	320	N	20-21S-36E
<u>El Paso</u>			
Shell E State Com 1J & 2N	230	M	6-21S-36E
<u>Exxon</u>			
Eumont Gas Com #1 1J & 2L	640	M	4-20S-37E
Eumont Gas Com #3 1A & 2G	160	M	35-20S-36E
New Mexico "G" State BTY 2P & 6M	640	M	26-21S-36E
<u>Gulf</u>			
Arnett Ramsay NCT D 3F & 15	320	M	33-21S-36E
Campbell Houston Gas Com 2K & 7J	310	M	7-21S-36E
S. E. Felton 1P & 20	160	M	28-21S-36E
Harry Leonard NCT A 3B, 7M & 12P	480	M	22-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1&12-22S-36E
W. A. Ramsey NCT "A" 17J & 46E	640	M	27-21S-36E
W. A. Ramsey NCT "A" 3, 7N, B & 20E	640	M	35-21S-36E
W. A. Ramsey NCT "B" Com 1F & 2E	320	M	25-21S-36E
A. B. Reeves 1L & 2B	320	M	29-20S-37E
<u>Mobil</u>			
E. O. Carson 4N, 22L & 23G	320	M	28&33-21S-37E
<u>Union Texas Petroleum Corporation</u>			
Britt 3G & 12C	320	M	7-20S-37E
<u>Zia Energy</u>			
Elliot Federal 1I & 2J	160	M	26-20S-36E

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Amoco EXHIBIT NO. 2

CASE NO. 6531

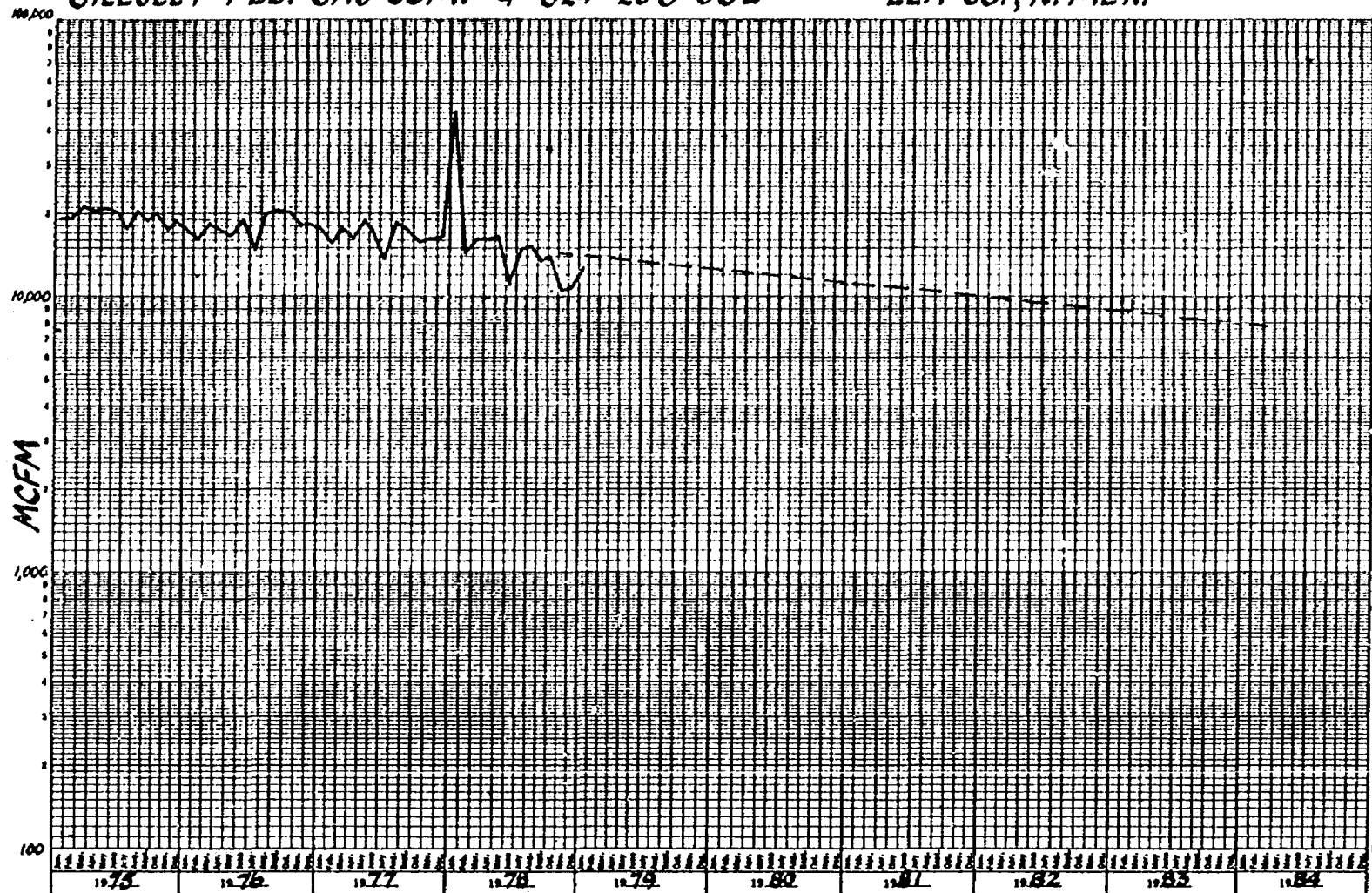
EUMONT GAS POOL

MONTH	YEAR	ALLOWABLE FOR 480 ACRE NON-MARGINAL UNIT, MCF	PRODUCTION DATA, MCF AMOCO GILLULLY FED GAS COM				POOL TOTAL
			4B	70	15E	TOTAL	
January	1978	84,909	15,669	15,984	0	31,653	5,729,867
February	1978	76,029	14,495	14,357	0	28,852	5,220,668
March	1978	117,026	16,347	13,873	0	30,220	5,034,002
April	1978	117,149	16,200	13,821	0	30,021	4,346,878
May	1978	111,148	16,457	17,056	0	33,513	3,770,082
June	1978	89,872	11,047	10,721	0	21,768	2,694,712
July	1978	87,177	15,171	15,977	0	31,148	4,205,328
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September	1978	83,463	13,476	13,468	9,459	36,403	4,563,024
October	1978	89,523	13,982	13,905	9,424	37,311	5,178,151
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December	1978	99,684	10,844	10,603	5,247	26,694	5,885,955
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February	1979	84,723	13,187	13,614	8,253	35,054	5,167,560

RECEIVED STANDARD BY BUTTER
 OF COURSE IN PRODUCTION
Amoco *MAINT. NO.* *3*
6534

EUMONT (QUEEN) GAS FIELD AMOCO
GILLULLY FED. GAS COM. #4 B24 208 36E

LEA CO., N. MEX.



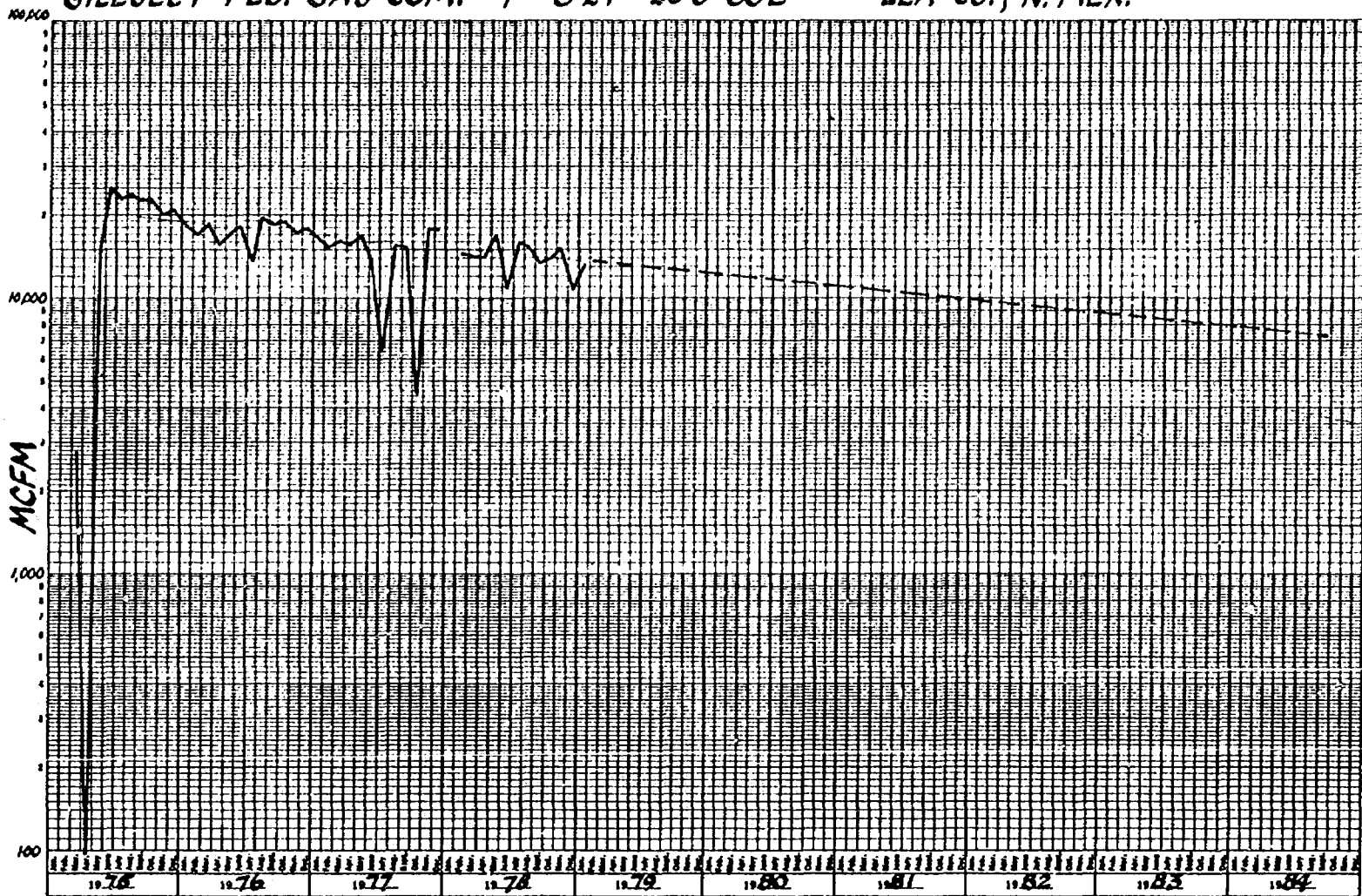
REPORT BY HAMMER NUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 4
CASE NO. 6534

EUMONT (QUEEN) GAS FIELD

AMOCO

GILLULLY FED. GAS COM. #7 024 208 36E

LEA CO., N. MEX.



BEFORE EXAMINER NUTTER

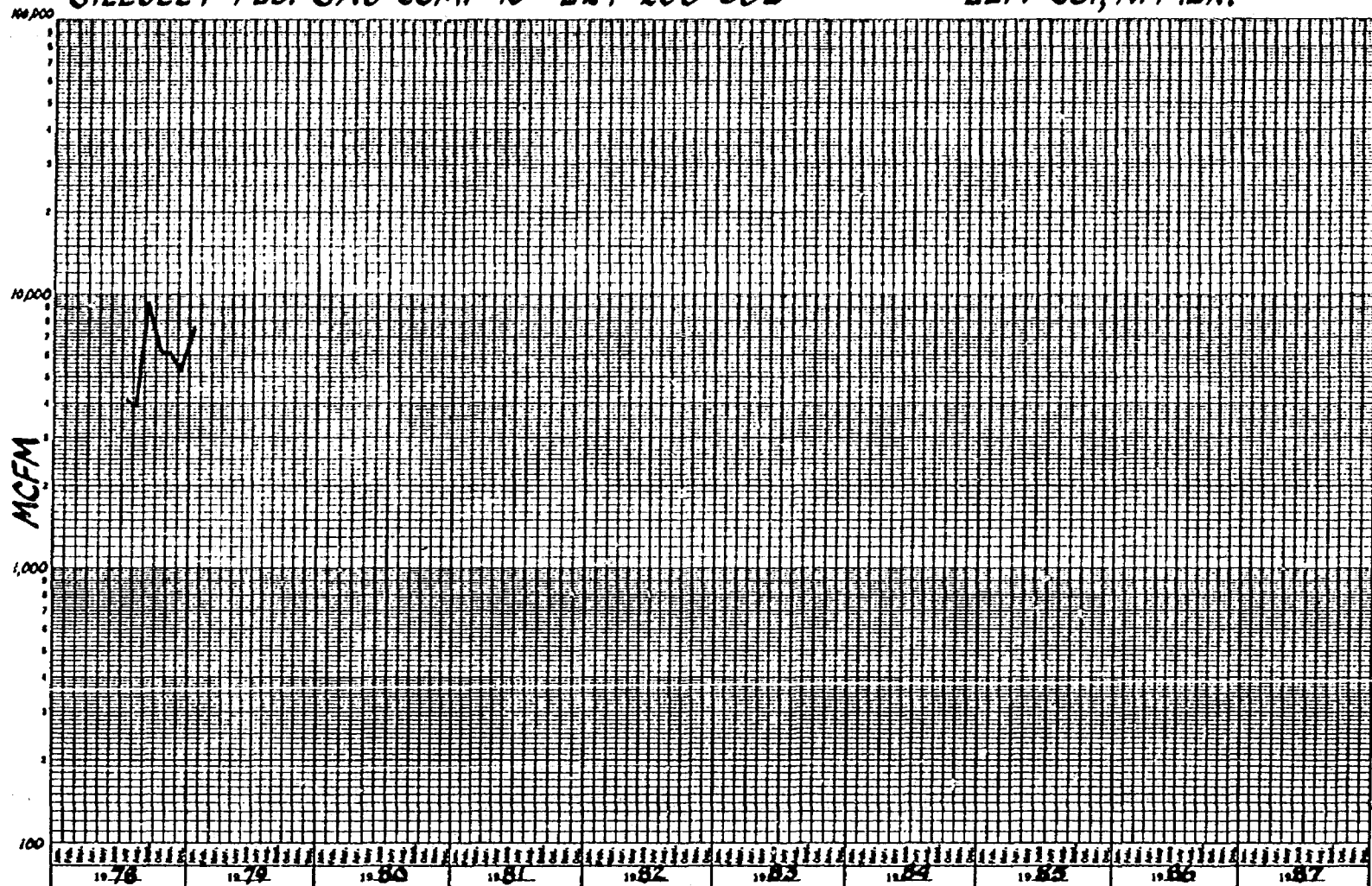
OIL CONSERVATION DIVISION

Amoco EXHIBIT NO. 5

CASE NO. 6534

EUMONT (QUEEN) GAS FIELD AMOCO
GILLULLY FED. GAS COM. #15 E24 208 36E

LEA CO., N. MEX.



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 6
CASE NO. 6534

**EUMONT GAS POOL
(NORTH SEVEN RIVERS QUEEN)**

GAS UNITS WITH SIMULTANEOUS DEDICATION

<u>Operator and Wells</u>	<u>Unit Size</u>	<u>Status</u>	<u>Location</u>
<u>Amoco</u>			
Gillully Fed Gas Com 4B, 70 & 15E	480	M	24-20S-36E
Gillully "B" Fed FA "A" 3N & 15H	360	M	33-20S-37E
State C tr 11 1X, 51 & 6R	320	M	2-21S-36E
Gillully "B" Fed RA "A" 7K & 16M	240	M	22-20S-37E
<u>Amerada Hess</u>			
State O 1B & 50	160	M	30-19S-37E
State U Gas Com 1E & 2C	240	M	32-19S-37E
<u>Arco</u>			
J. M. Brownlee 1K & 4N	160	M	25-21S-36E
Byrd Gas Com 5E & 7C	320	M	11-20S-36E
J. R. Phillips "B" 5E & 6	160	M	31-19S-37E
State 157 D 41 & 7N	160	M	12-22S-36E
State 176 3J, 6C & 4G	137	M	19-21S-36E
State F DE 1E, 3K & 4M	185	M	19-21S-36E
State H 10 & 3J	160	M	5-21S-36E
<u>Conoco</u>			
Britt "B" 15M & 250	280	N	10&15-20S-37E
Britt "B" 18 3J & 6P	160	M	18-20S-37E
Britt Skaggs Com 1P & 2K	320	M	10&11-20S-37E
Lockhart "A" 18 3K & 4M	228	M	18-21S-36E
Lockhart "B" 4H, 7D & 8P	480	M	13&14-21S-36E
Lockhart "B" 1 4G & 6P	320	M	1-22S-36E
Meyer "B" 4 4S & 29P	360	M	4-21S-36E
Reed A-3 2H & 3I	480	N	3-20S-36E
Sanderson "A" 12P & 13G	640	M	14-20S-36E
State "J" 2 9G, 12D & 7S	240	M	2-22S-36E
State "O" 20 5M 60	320	N	20-21S-36E
<u>El Paso</u>			
Shell E State Com 1J & 2N	230	M	6-21S-36E
<u>Exxon</u>			
Eumont Gas Com #1 1J & 2L	640	M	4-20S-37E
Eumont Gas Com #3 1A & 2G	160	M	35-20S-36E
New Mexico "G" State BTY 2P & 6M	640	M	26-21S-36E
<u>Gulf</u>			
Arnott Ramsay NCT D 3F & 15	320	M	33-21S-36E
Campbell Houston Gas Com 2K & 7J	310	M	7-21S-36E
S. E. Felton 1P & 20	160	M	28-21S-36E
Harry Leonard NCT A 3B, 7M & 12P	480	M	22-21S-36E
H. T. Mattern NCT E 10N & 11B	480	M	1&12-22S-36E
W. A. Ramsey NCT "A" 17J & 46E	640	M	27-21S-36E
W. A. Ramsey NCT "A" 3, 7N, B & 20E	640	M	35-21S-36E
W. A. Ramsey NCT "B" Com 1F & 2E	320	M	25-21S-36E
A. B. Reeves 1L & 2B	320	M	29-20S-37E
<u>Mobil</u>			
E. O. Carson 4N, 22L & 23G	320	M	28&33-21S-37E
<u>Union Texas Petroleum Corporation</u>			
Britt 3G & 12C	320	M	7-20S-37E
<u>Zia Energy</u>			
Elliot Federal 1I & 2J	160	M	26-20S-36E

BEFORE EXAMINER NOTED
 OIL CONSERVATION DIVISION
 Amoco EXHIBIT NO. 2
 CASE NO. 6534

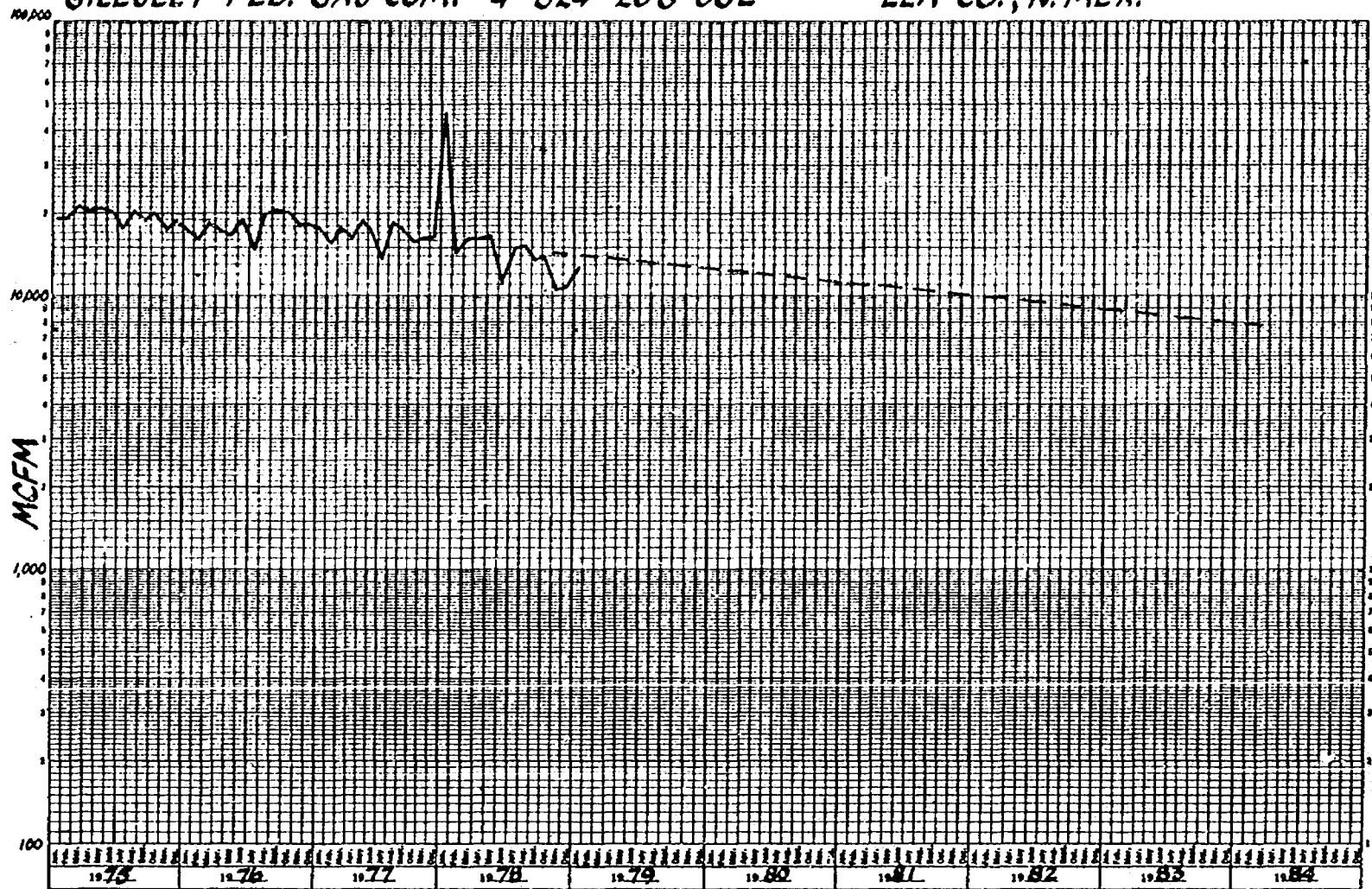
EUMONT GAS POOL

MONTH	YEAR	ALLOWABLE FOR 480 ACRE NON-MARGINAL UNIT, MCF	PRODUCTION DATA, MCF AMOCO GILLULLY FED GAS COM				POOL TOTAL
			4B	70	15E	TOTAL	
January	1978	84,909	15,669	15,984	0	31,653	5,729,867
February	1978	76,029	14,495	14,357	0	28,852	5,220,668
March	1978	117,026	16,347	13,873	0	30,220	5,034,002
April	1978	117,149	16,200	13,821	0	30,021	4,346,878
May	1978	111,148	16,457	17,056	0	33,513	3,770,082
June	1978	89,872	11,047	10,721	0	21,768	2,694,712
July	1978	87,177	15,171	15,977	0	31,148	4,205,328
August	1978	83,733	15,337	15,131	3,916	34,384	5,115,653
September	1978	83,463	13,476	13,468	9,459	36,403	4,563,024
October	1978	89,523	13,982	13,905	9,424	37,311	5,178,151
November	1978	93,477	10,589	11,110	5,966	27,665	5,167,306
December	1978	99,684	10,844	10,603	5,247	26,694	5,885,955
January	1979	99,798	12,786	13,109	7,643	33,538	5,635,757
February	1979	84,723	13,187	13,614	8,253	35,054	5,167,560

REPORT EXAMINED BY	NUTTER
OIL CONSERVATION DIVISION	
Amoco	ENTRY NO. 3
CASE NO.	6534

EUMONT (QUEEN) GAS FIELD AMOCO
GILLULLY FED. GAS COM. #4 B24 208 36E

LEA CO., N. MEX.



BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Amoco EXHIBIT NO. 4

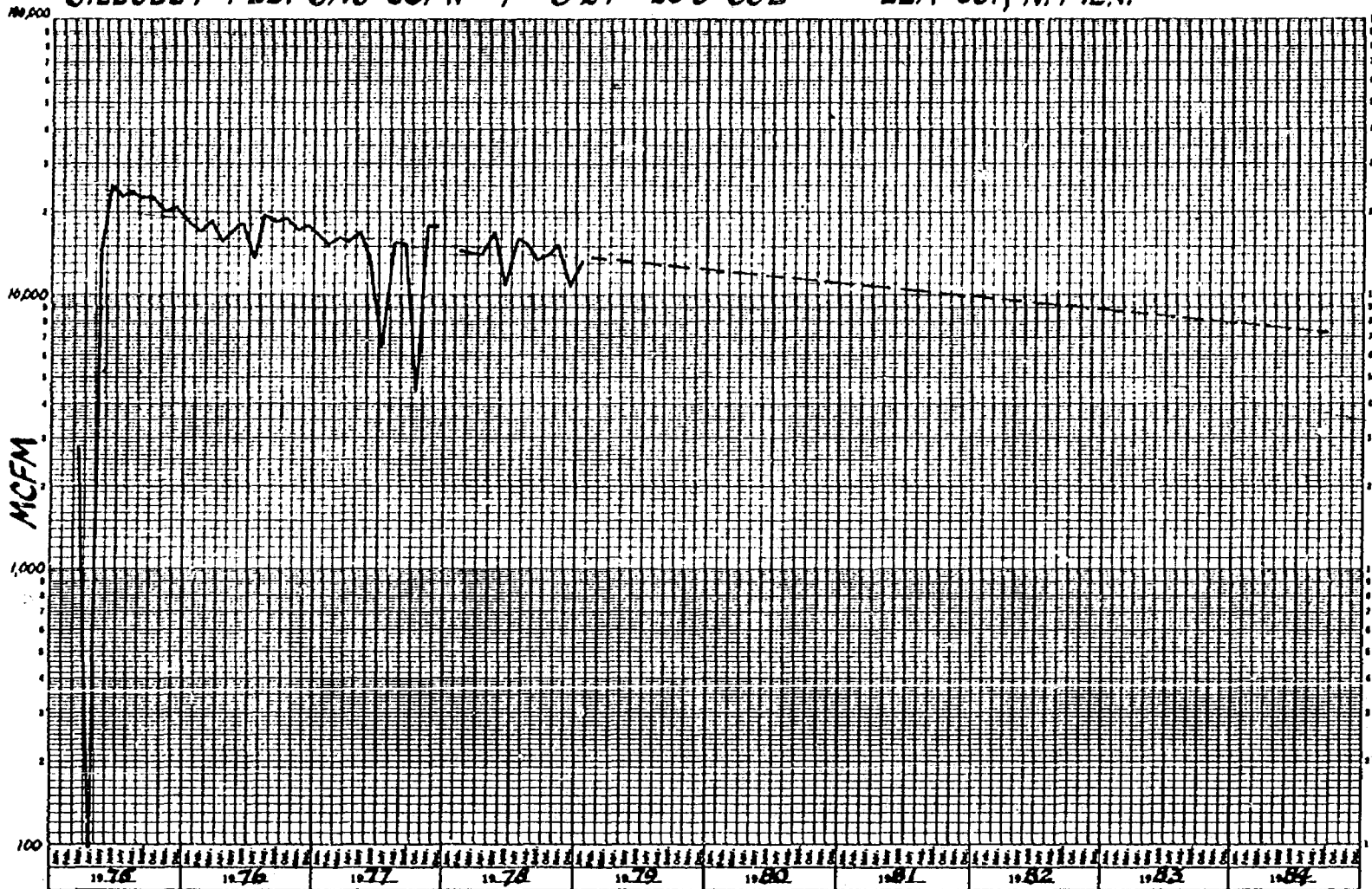
CASE NO. 6534

EUMONT (QUEEN) GAS FIELD

W11000

GILLULLY FED. GAS COM. #7 024 206 36E

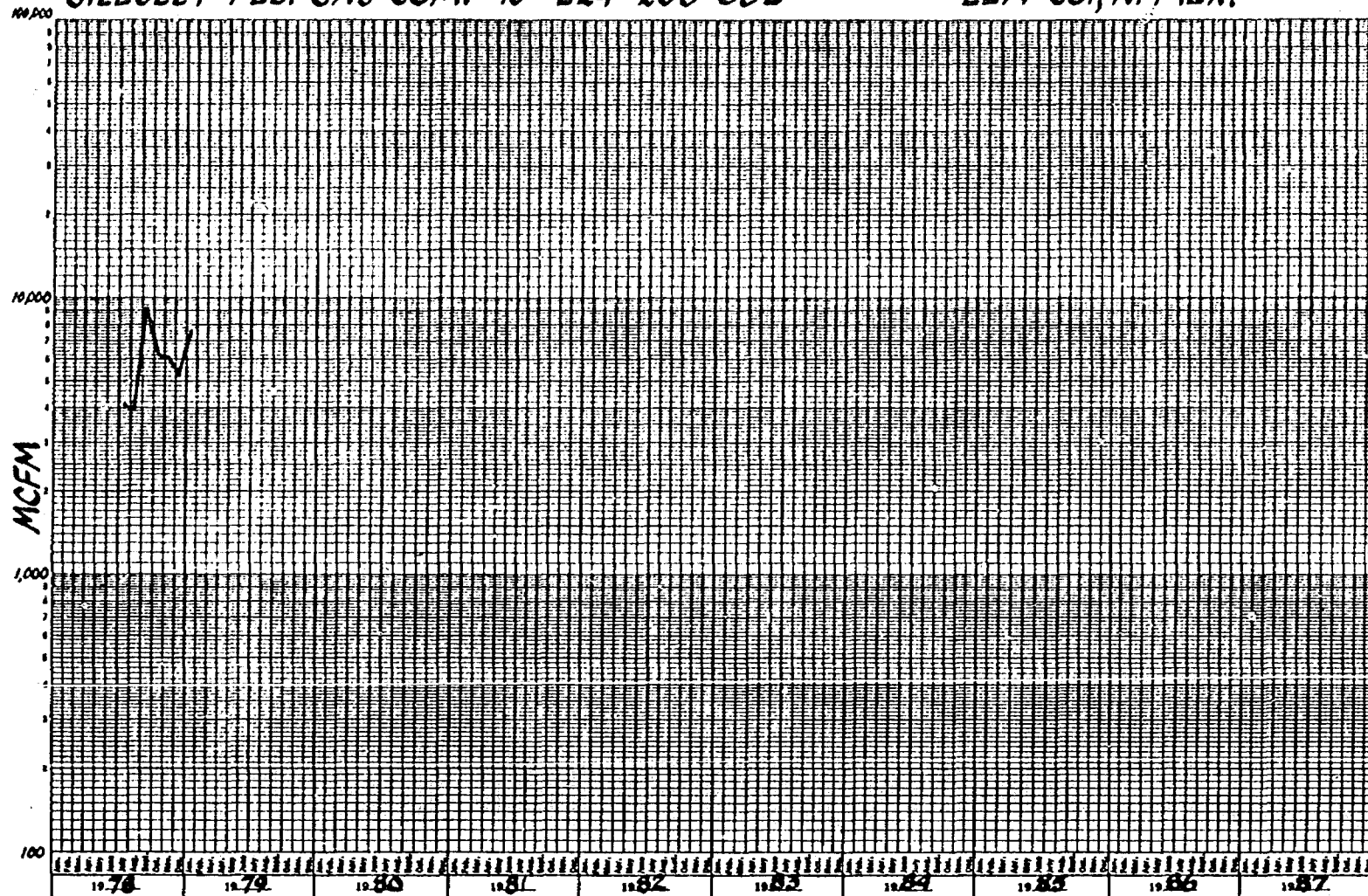
LEA CO., N. MEX.



DEPT. OF EXAMINER NUTTER
OIL CONSERVATION DIVISION
Amoco EXHIBIT NO. 5
CASE NO. 6534

EUMONT (QUEEN) GAS FIELD AMOCO
GILLULLY FED. GAS COM. #15 E24 208 36E

LEA CO., N. MEX.



SEAFORD EDWARD R. MUTTER
OIL CONSERVATION DIVISION
Amoco REGENT NO. 6
CASE NO. 6534

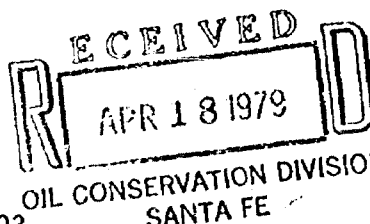


Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

April 16, 1979



File: TBM-986.51NM-3203

Re: Application for Hearing
Eumont Gas Pool
Lea County, New Mexico

Case 6534

Oil Conservation Division (3)
Department of Energy and Minerals
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company requests a hearing for obtaining approval of a 480 acre non-standard proration unit to be simultaneously dedicated to Gillully Fed Gas Com Wells No. 4, 7, 15 and 17, located at unorthodox locations in Units B, O, E and H, respectively, Section 24, T20S, R36E, Eumont Gas Pool, Lea County, New Mexico.

Order Nos. 1177, 4848 and 5639 approved the non-standard unit, simultaneous dedication and unorthodox locations for Wells No. 4, 7 and 15 respectively.

Attached is a map of the area. Please direct any questions to Mr. Jim Pease, telephone 713-652-5461.

Yours very truly,

J R Barnett JEP

Attachment

JEP:vam



Amoco Production Company

Houston Region
500 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

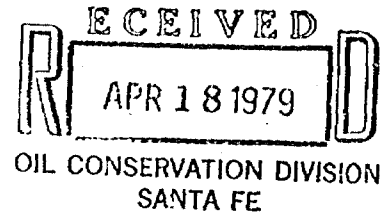
J. R. Barnett
Regional Engineering
Manager

April 16, 1979

Case 6534

File: TBM-986.51NM-3203

Re: Application for Hearing
Eumont Gas Pool
Lea County, New Mexico



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JEP:vam



Amoco Production Company

Houston Region
600 Jefferson Building
Post Office Box 3092
Houston, Texas 77001

J. R. Barnett
Regional Engineering
Manager

April 16, 1979

File: TBM-986.51NM-3203

Re: Application for Hearing
Eumont Gas Pool
Lea County, New Mexico

Oil Conservation Division (3)
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Attachment

JEP:vam

DRAFT

dr/

[Handwritten signature]

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

[Handwritten signature]

CASE NO. 6534

Order No. R- 6009-A

APPLICATION OF AMOCO PRODUCTION FOR
SIMULTANEOUS DEDICATION AND AN UNORTHODOX LOCATION,

LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

[Handwritten signature]

BY THE DIVISION:

It appearing to the Division that Order No. R- 6009
dated May 15, 19 79, does not correctly state the
intended order of the Division,

IT IS THEREFORE ORDERED:

That
(1) ~~Nunc pro tunc~~ the 7th line of Finding No. (3) on Page 1
of Order No. R-6009 *be and the same is hereby corrected*
to read in its entirety as follows:

"...No. 17, at an unorthodox location 2200 feet
from the North line..."

That
(2) ~~Nunc pro tunc~~ the 3rd line of Order No. (1) on Page 2 *of*
Order No. R-6009 be and the same is hereby amended
to read in its entirety as follows

"...17, to be drilled at a point 2200 feet
from the North line and..."

(3) That the corrections set forth in this order be entered
nunc pro tunc as of May 15, 1979.

DONE at Santa Fe, New Mexico, on this ____ day of May, 1979.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6534
Order No. R-6009

APPLICATION OF AMOCO PRODUCTION
FOR SIMULTANEOUS DEDICATION AND
AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of May, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Amoco Production, seeks approval
for the simultaneous dedication of its Gilluly Fed. Well No. 17
at an unorthodox gas well location in Unit H of Section 24, Town-
ship 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County,
New Mexico, along with the three wells now dedicated to the
previously approved 480-acre unit comprising the N/2 and SE/4
of said Section 24.

(3) That the evidence presented demonstrates that the
three existing wells on the proration unit, namely the Gilluly
Federal Gas Com. Wells Nos. 4, 7, and 15, located in Units B,
O, and E, respectively, of said Section 24, are not effectively
and efficiently draining the entire 480-acre unit, and the
drilling of the subject well, the Gilluly Federal Gas Com Well
No. 17, at an unorthodox location 2200 feet from the North line,
and 660 feet from the East line of said Section 24, is necessary
to effectively and efficiently drain that portion of the unit
not being so drained by the existing wells.

The 17th line of
None pro tunc Finding No. 3 on P. 1 of Order No R6009 to read
and the 3rd line of Order No. 1 on P. 2 to read in its entirety as
follows

in its entirety as follows

(4) That the drilling of said Well No. 17 at the above location and the simultaneous dedication of said well to the unit should result in the production of additional gas which would otherwise be left unrecovered, thus preventing waste, and should be approved as an exception to the standard well spacing requirements for the Eumont Gas Pool.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That Division Order No. R-1177 which originally approved the subject 480-acre non-standard gas proration unit, and Division Orders Nos. R-4848 and R-5639, which authorized simultaneous dedication of additional wells to said unit, should be superseded.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location is hereby approved for the Amoco Production Company Gilluly Federal Gas Com Well No. 17, to be drilled at a point 2200 feet from the North line and 660 feet from the East line of Section 24, Township 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, and said well is hereby approved for simultaneous dedication, with applicant's Gilluly Federal Gas Com Wells Nos. 4, 7, and 15, located in Units B, O, and E, respectively, of said Section 24, to the non-standard Eumont gas proration unit comprising the N/2 and SE/4 of said Section 24.

(2) That Division Orders Nos. R-1177, R-4848, and R-5639 are hereby superseded.

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