

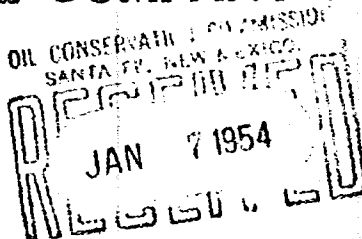
Case No.

645

Application, Transcript,  
Small Exhibits, Etc.

CASE 645: Amerada 160-acre unorthodox  
gas proration unit, Eumont Gas Pool

# SUN OIL COMPANY



COPY

January 5, 1954

Mr. J. P. Hammond  
Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa 2, Oklahoma

Dear Sir:

Mr. Rhea has requested that I reply to your letter of December 23rd concerning Amerada's application for an unorthodox gas proration unit for the Amerada State "T" lease, Eumont Gas Pool, Lea County, New Mexico.

If the unit as proposed by you meets with the approval of the other operators in this section, and with the New Mexico Conservation Commission, Sun Oil Company has no objection to your forming the unit as outlined on the plat attached to your letter which unit would comprise the east half of the west half of Section 25, T-19-S, R-36-E, Lea County.

Yours very truly,

*A. C. Ballou*

ARB:oms

cc: Mr. R. R. Spurrier  
New Mexico Conservation Commission  
Santa Fe, New Mexico

Mr. A. S. Rhea

NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date December 9, 1953

Amerada Petroleum Corporation State "T" 3  
Operator Lease Well No.  
Name of Producing Formation Seven Rivers-Queens Pool Eumont

No. Acres Dedicated to the Well 160

SECTION	25	TOWNSHIP	19S	RANGE	36E
Texas	Amerada	Gulf	Sun		
3●	4●	5●	1●		
1●	3*	7●	2●		
Weir					
Amerada			Gulf		
1●	2●	8●	1●		
Weir					
Skelly					
1●	1●	6●			
Christmas	State T	Graham State C	2● Martin		

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

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Representing \_\_\_\_\_  
Address \_\_\_\_\_

(over)

INSTRUCTIONS

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

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.

Case 195  
Exhibit 12

C O P Y

December 23, 1953

Gulf Oil Corporation  
P. O. Drawer 2190  
Fort Worth, Texas

Sun Oil Company  
P. O. Box 2880  
Dallas, Texas

Attn.: Mr. Ernest E. Merkt, Jr.

Attn.: Mr. A. S. Rhea

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

Skelly Oil Company  
P. O. Box 1650  
Tulsa, Oklahoma

Attn.: Mr. G. R. Brown

Attn.: Mr. D. N. Hill

Re: Application for Unorthodox Gas  
Proration Unit, Amerada State T  
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 /s/ John P. Hammond  
John P. Hammond

RSC:vd

attachments

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

Re: Application for Unorthodox  
Gas Proration Unit, Amerada  
State T 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 W/2 of Section 25, T-19-S, R-36-E, Lea County, New Mexico is a portion of Amerada Petroleum Corporation's State "T" Lease. That portion of the lease in Section 25 consists of 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the wells located thereon.
- (2) That well No. 3, located 1980 feet from the north and 1980 feet from the west lines of Section 25 on the Amerada State "T" lease, which had been an oil well producing from the Monument Pool was recompleted as a gas well in the reservoir which is now established as the Eumont Gas Pool. The recompletion of the well was on February 15, 1952, or prior to the issuance of Oil Conservation Commission Order R-370-A, Special Rules and Regulations for the Eumont Gas Pool.
- (3) That the provisions of Rule 12 of Order R-370-A have been complied with for this well and lease.
- (4) That the applicant proposes that the E/2 of the W/2 of Section 25, T-19-S, R-36-E be established as a 160 acre gas proration unit in exception to Rule 7 (a) 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 with four reasonably spaced gas wells in this section.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set a certain day upon which this 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  
OCC office in Santa Fe, N. M.

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

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. 645  
Order No. R-437

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 THE  
EAST HALF OF THE WEST HALF OF SECTION 25,  
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 16<sup>th</sup> 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 of W/2 of Section 25

containing 160 acres, more or less.

(4) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid lease known as State "T", No. 3, located 1980 feet from the north line and 1980 feet from the west line of Section 25, 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-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 25, 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.

(7) 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.

(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  
E/2 of W/2 of Section 25

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


(2) That applicant's well, State "T", No. 3, located in the SE/4 NW/4 of Section 25, 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.

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. SPURRER, Secretary and Member

S E A L

Case 648  
Monument, New Mexico  
December 9, 1953

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

Re: Application for Unorthodox  
Gas Proration Unit, Amerada  
State T Lease, Eumont Gas  
Pool, Lea County, New Mexico  
DEC 14 1953

Gentlemen:

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

(1) That the E/2 of the W/2 of Section 25, T-19-S, R-36-E, Lea County, New Mexico is a portion of Amerada Petroleum Corporation's State "T" Lease. That portion of the lease in Section 25 consists of 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the wells located thereon.

(2) That well No. 3, located 1980 feet from the north and 1980 feet from the west lines of Section 25 on the Amerada State "T" lease, which had been an oil well producing from the Monument Pool was recompleted as a gas well in the reservoir which is now established as the Eumont Gas Pool. The recompletion of the well was on February 15, 1952, or prior to the issuance of Oil Conservation Commission Order R-370-A, Special Rules and Regulations for the Eumont Gas Pool.

(3) That the provisions of Rule 12 of Order R-370-A have been complied with for this well and lease.

(4) That the applicant proposes that the E/2 of the W/2 of Section 25, T-19-S, R-36-E be established as a 160 acre gas proration unit in exception to rule 7 (a) 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 with four reasonably spaced gas wells in this section.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set a certain day upon which this 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 \_\_\_\_\_

Operator \_\_\_\_\_

Lease \_\_\_\_\_

Well No. \_\_\_\_\_

Name of Producing Formation \_\_\_\_\_ Pool \_\_\_\_\_

No. Acres Dedicated to the Well \_\_\_\_\_

SECTION \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ RANGE \_\_\_\_\_

Texas	Amerada	Gulf	Sun
3●	4●	5●	1●
1●	3★	7●	2●
Weir			
Amerada			Gulf
1●	2●	8●	1●
Weir			
Skelly			
1●	1●	6●	2●
Christmas	State T	Graham State C	Martin

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

This well is not a dual completion.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Representing \_\_\_\_\_  
Address \_\_\_\_\_

(over)

M4  
WJK

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. 645  
Order No. R- 437

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 *The E/2 of*  
*The W/2 of Section 25,*  
*Township 19 South, Range 36 East,*  
*NMPM, Lea County, New Mexico,*  
*in The Cumont Gas Pool.*

BY THE COMMISSION:

ORDER OF THE COMMISSION

and on *February 12, 1954* This cause came on for hearing at 9 o'clock a. m., on *January 20, 1954*,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-  
after referred to as the "Commission".

NOW, on this                      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 of W/2 of Section 25*

containing *160* acres, more or less.

Order No. R- 437

(4) That applicant, *Amerada Petroleum Corporation*, has a producing well on the aforesaid lease known as *State "T", well No. 3*, located *1980'* from the *North* line and *1980'* from the *West* line of Section 25, 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-370A, and is located within the limits of the pool heretofore delineated and designated as the *Cumont* Gas Pool.

(6) That it is <sup>IMPRACTICAL</sup> ~~impossible~~ to pool applicant's said lease with adjoining acreage in the *West half of Section 25, Township 19 South, Range 36 East, NMPM,* and that the owners of adjoining acreage in said <sup>half</sup> ~~quarter~~ sections have not objected to the formation of the proposed proration unit of *160* acres, but have ~~expressly~~ <sup>consented thereto.</sup>

(7) That unless a proration unit consisting of applicant's aforesaid <sup>its</sup> acreage is permitted, applicant will be deprived of the opportunity to recover ~~its~~ just and equitable share of the natural gas in the *Cumont* Gas Pool.

(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.  
*E 1/2 of W 1/2 of Section 25*

*be and the same*

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

Order No. R- 427

(2) That applicant's well, State "T", No. 3, located in the  
SE/4 NW/4 of Section 25, 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.

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)