

Case No.

649

Application, Transcript,
Small Exhibits, Etc.

N.E.

CASE 649: Amerada 160-acre unorthodox
gas proration unit, Eumont Gas Pool

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

Transcript of Hearing in
Case No. 649
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:)
)

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

Case 649

Continued.

(Notice of Publication read.)

MR. WOODWARD: Applicant will use the same witness.

W. G. ABBOTT

having been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

Q Mr. Abbott, will you identify this exhibit?

A This is an exhibit that shows our proposed unorthodox gas proration unit which is the south half of the north half of section 30, township 20, south, range 37 east, Lea County, New Mexico.

Q Mr. Abbott, will you identify this exhibit?

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

Q Will you identify the unit well on the proposed unit?

A Yes, sir, it is our number one well which is located in the southeast quarter of the northeast quarter.

Q In what common source or sources is this well completed, or authorized to be completed?

A This will be in the Eumont Gas Pool.

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

Q When was this well authorized for completion in that common source?

A Prior to the issuance of Commission orders on Eumont Gas Pool.

Q Mr. Abbott, in your opinion is it practical to communitize portions of the acreage covered by this application with other acreage to form orthodox proration units? A No, sir.

Q Will granting this application result in prejudice to correlative rights, or waste in any manner?

A No, sir.

Q Will granting this application permit the development of this section to an average density of one well to 160 acres?

A Yes.

Q It will permit that? A It will permit it.

MR. WOODWARD: Applicant has no further questions of the witness.

MR. SPURRIER: Are there any questions of the witness? If not the witness may be excused. Does anyone have anything further in this case?

(Witness excused.)

MR. WOODWARD: We are submitting these exhibits in evidence.

MR. SPURRIER: Without objection they will be accepted. If nothing further in the case we will take it under advisement and go on to cases 640 and '41, consolidated.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing on Case No. 649 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

AMERADA PETROLEUM CORPORATION
P. O. BOX 2040
TULSA 2, OKLAHOMA

MAIN OFFICE OCC

1954 MAR 18 AM 8:24

Drawer D,
Monument, New Mexico,
March 12, 1954.

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

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

Gentlemen:

The hearing concerning the original application for the unorthodox gas proration unit for Amerada Petroleum Corporation's State "W" Lease was held February 17, 1954 under Case No. 649. In the original application the subject well was listed as the State "W" No. 1. It was our original intention to recomplete this well in the Eumont gas pool but because of test results it was recompleted in the lower Queen zone as an oil producer. The west offset to the State "W" No. 1 well, the State "W" No. 2, was then recompleted as a Eumont gas producer.

It is requested that the well for this unorthodox gas proration unit be changed to the Amerada State "W" No. 2 located 1980' FNL and 1980' FEL, Section 30, Township 20-S, Range 37-E.

By copy of this letter all operators within a 1320 foot radius of the subject well are notified.

Respectfully submitted,
AMERADA PETROLEUM CORPORATION

By: D. C. Capps
D. C. Capps

cc: Cities Service Oil Co.
Box 97
Hobbs, New Mexico

Skelly Oil Company
Box 38
Hobbs, New Mexico

Gulf Oil Corporation
Box 1667
Hobbs, New Mexico

Phillips Petroleum Co.
208 N. Turner
Hobbs, New Mexico

Sinclair Oil & Gas Company
Box 1247
Hobbs, New Mexico

Hudson & Hudson, Inc.
Electric Building
Fort Worth, Texas

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat

Date December 9, 1953

Amerada Petroleum Corporation State "W" 1
Operator Lease Well No.

Name of Producing Formation Seven Rivers-Queens Pool Eumont

No. Acres Dedicated to the Well 160

SECTION 30 TOWNSHIP 20S RANGE 37E

Phillips 1● <i>Edna</i>	Phillips 1● <i>W. A. Hodson</i>	Phillips 1● <i>Mex</i>
Amerada 4● 3● 2● 1●*		
State "W"		
Sinclair 1● "793"	Gulf 3●	Skelly 1● State "G"
Cities Service 2●		
1● <i>Sunshine Roy Co.</i>	2●	1● 3● State "F"

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.

49
6

C O P Y

December 23, 1953

Phillips Petroleum Company
Bartlesville, Oklahoma

Cities Service Oil Company
Bartlesville, Oklahoma

Attention: Mr. L. E. Fitzharrald

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

Sinclair Oil and Gas Company
Sinclair Building
Tulsa, Oklahoma

Attention: Mr. Ernest E. Merkt, Jr.

Attention: Mr. Floyd Brett

Skelly Oil Company
Skelly Building
Tulsa, Oklahoma

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

Attention: Mr. D. N. Hill

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

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

Case 647
Monument, New Mexico
December 9, 1953

DEC 14 1953

Re: Application for Unorthodox
Gas Proration Unit, Amerada
State "W" 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 S/2 of the N/2 of Section 30, T-20-S, R-37-E, Lea County, New Mexico is Amerada Petroleum Corporation's State "W" lease. The lease consists of 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the other wells located thereon.

(2) That well No. 1, located 1980 feet from the north and 660 feet from the east line of Section 30 on the Amerada State "W" lease is an oil well producing from Eunice Pool. It is proposed to recomplete the well as a gas well in the Eumont Gas Pool in exception to rule 2 of Oil Conservation Commission Order R-370-A, Special Rules and Regulations for the Eumont Gas Pool.

(3) That the applicant proposes that the S/2 of N/2 of Section 30, T-20-S, R-37-E be established as a 160 acre gas proration unit in exception to rule 7 (a) of Order R-370-A, such unit to be effective upon completion of Well No. 1 as a gas well and compliance with Rule 12 of Order R-370-A.

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

(5) 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 30 TOWNSHIP 20 RANGE 37

Phillips 1● <i>Edna</i>	Phillips 1● <i>W. A. Hodson</i>	Phillips 1● <i>Mex</i>
Amerada 4● 3● 2● 1★ <i>State "W"</i>		
Sinclair 1● <i>"193"</i>	Gulf 3●	Skelly 1● <i>State "G"</i>
1● <i>Sunshine Roy Co.</i>	2●	1● 3● <i>State "F"</i>
Cities Service 2●		

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

Name _____
Position _____
Representing _____
Address _____

(over)

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

Re: Application for Unorthodox
Gas Proration Unit, Amerada
State "W" 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 S/2 of the N/2 of Section 30, T-20-S, R-37-E, Lea County, New Mexico is Amerada Petroleum Corporation's State "W" lease. The lease consists of 160 acres. The attached plat shows the subject tract, the other tracts in the section, and the other wells located thereon.

(2) That well No. 1, located 1980 feet from the north and 660 feet from the east line of Section 30 on the Amerada State "W" lease is an oil well producing from Eunice Pool. It is proposed to recomplete the well as a gas well in the Eumont Gas Pool in exception to rule 2 of Oil Conservation Commission Order R-370-A, Special Rules and Regulations for the Eumont Gas Pool.

(3) That the applicant proposes that the S/2 of N/2 of Section 30, T-20-S, R-37-E be established as a 160 acre gas proration unit in exception to rule 7 (a) of Order R-370-A, such unit to be effective upon completion of Well No. 1 as a gas well and compliance with Rule 12 of Order R-370-A.

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

(5) 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, New Mexico

my

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. 649
Order No. R-445

^{amended}
THE APPLICATION OF Amerada
Petroleum Corporation
FOR AN ORDER GRANTING APPROVAL per Max
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 S/2 N/2 of
Section 30, Township 20 South
Range 37 East, NM PM, Lea
County, New Mexico in
the Culmont Gas Pool

BY THE COMMISSION:

ORDER OF THE COMMISSION

January 20, 1954,

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

NOW, on this April day of 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 20 SOUTH, RANGE 36 EAST, NMPM.

S/2 of N/2 of Section 30

containing 160 acres, more or less.

Order No. R-445

(b) That applicant, Amador Petroleum Corp., desires to recomplete said well as a gas well producing from the Cumont gas pools in exception to Rule 2 of Order R-370A.

(4) ^(a) That applicant, Amador Petroleum Corporation, has a producing well on the aforesaid lease known as State "W", No. 2 located 1980' from the North line and 1980' from the East line of Section 30, Township 20 South, Range 37 East, said well producing from the Cumont oil Pool.

(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 ^{IMPRACTICAL} ~~impossible~~ to pool applicant's said lease with adjoining acreage in the North half of Section 30, Township 20 South Range 37 East, NM PM and that the owners of adjoining acreage in said ^{half} ~~quarter~~ section have not objected to the formation of the proposed proration unit of 160 acres, but have expressly ~~consented thereto~~.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his 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 Amador Petroleum Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NM PM.

S 1/2 of N 1/2 of Section 30

be and the same

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

(1.b) That recompletion of the Amador Petroleum Corp., State "W", No. 2, S 1/4 N 1/4 Section 30, Township 20 South, Range 37 East,

Order No. R- 445

(2) That applicant's well, State W, No 2, located in the SW/4 NE/4 of Section 36, Township 20 South, Range 37 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 the provisions of Rule 13 of Order R-370A or similar rules and orders.
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)

pending

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. 649
Order No. R-445

THE AMENDED 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 ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF SOUTH HALF OF THE NORTH HALF
OF SECTION 30, TOWNSHIP 20 SOUTH, RANGE 37
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 27 day of May, 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 20 SOUTH, RANGE 36 EAST, NMPM
S/2 of N/2 of Section 30.

containing 160 acres, more or less.

(4)

(a) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid lease known as State "W" No. 2, located 1980' from the North line and 1980' from the East line of Section 30, Township 20 South, Range 37 East, said well producing from the Eunice Oil Pool.

(b) That applicant, Amerada Petroleum Corporation desires to recomplete said well as a gas well producing from the Eumont Gas Pool in exception to Rule 2 of Order R-370-A.

Order No. R-445

(5) That the aforesaid well 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 North half of Section 30, Township 20 South, Range 37 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 20 SOUTH, RANGE 37 EAST, NMPM
S/2 of N/2 of Section 30

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

(2) That applicant's well, State W, No. 2, located in the SW/4 NE/4 of Section 30, Township 20 South, Range 37 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 the provisions of Rule 13 of Order R-370-A or succeeding rules and orders.

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)