

*Entered February 14, 1964
A.P.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2898
Order No. R-2637

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 18, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of January, 1964, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Petroleum Corporation, seeks an order pooling all mineral interests in the Blinebry Gas Pool underlying the S/2 NE/4 and NW/4 SE/4 of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That pursuant to the provisions of an operating agreement covering the N/2 SE/4 of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, the applicant and other operators owning working interests in the N/2 SE/4 of said Section 19 drilled the L. G. Warlick "A" Well No. 2 in Unit J of said Section.

(4) That the L. G. Warlick "A" Well No. 2 was subsequently completed in the Blinebry Gas Pool.

(5) That by Order No. R-2523, a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the S/2 NE/4 and NW/4 SE/4 of said Section 19, was established and dedicated to the L. G. Warlick "A" Well No. 2.

(6) That the owners in the subject area have not agreed to pool their interests to form the 120-acre unit.

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(7) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Blinebry Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(8) That based upon a 120-acre proration unit, Campbell & Hedrick advanced \$1289.31 more than their pro rata share of the cost of drilling and completing the L. G. Warlick "A" Well No. 2; that Amerada Petroleum Corporation elected not to pay \$1289.31 of its proportionate share of the costs in advance; and that it is just and reasonable to require Amerada Petroleum Corporation to pay Campbell & Hedrick the sum of \$1289.31, plus 50% thereof as a charge for the risk involved in the drilling of the well.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Blinebry Gas Pool, underlying the S/2 NE/4 and NW/4 SE/4 of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a non-standard 120-acre gas proration unit to be dedicated to the L. G. Warlick "A" Well No. 2, located in Unit J of said Section 19.

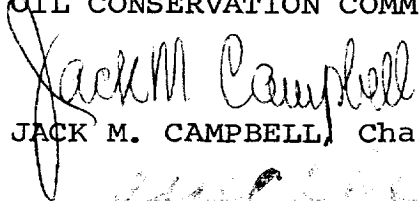
(2) That Amerada Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That within 30 days following the date of this order, Amerada Petroleum Corporation shall pay to Campbell & Hedrick the sum of \$1933.97.

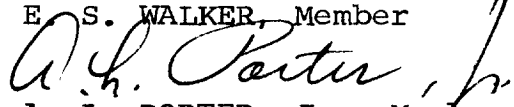
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

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