

Entered February 14, 1978
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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. 6138
Order No. R-5639

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of February, 1978, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, seeks approval of a 480-acre non-standard gas proration unit comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, NMPM, to be simultaneously dedicated to its Gillully Federal Gas Com Wells Nos. 4 and 7, located in Units B and O, respectively, of said Section 24 and to its Gillully Federal Gas Com Well No. 15 to be located at an unorthodox location 1650 feet from the North line and 990 feet from the West line of said Section 24.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the afore-said well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas 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.

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(5) That Commission Order No. R-4848, which previously approved the above-described non-standard unit with dedication of same to Wells Nos. 4 and 7 only, should be rescinded.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 and NW/4 of Section 24, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Amoco Production Company Gillully Federal Gas Com Wells Nos. 4 and 7, located in Units B and O, respectively, of said Section 24, and to its Gillully Federal Gas Com Well No. 15 to be located at an unorthodox location 1650 feet from the North line and 990 feet from the West line of said Section 24.

(2) That Commission Order No. R-4848 is hereby rescinded.

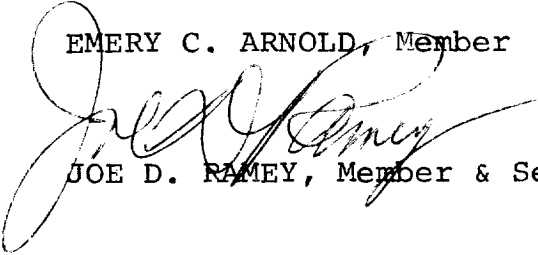
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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