

Filed June 3, 1956
1048

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. 1048
Order No. R-805

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR
AN ORDER GRANTING AN APPROVAL
OF AN EXCEPTION PURSUANT TO
RULE 5 (a) OF THE SPECIAL
RULES AND REGULATIONS FOR THE
EUMONT GAS POOL AS SET FORTH
IN ORDER R-520 IN ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF NE/4 SECTION 31,
TOWNSHIP 19 SOUTH, RANGE 37 EAST,
LEA COUNTY, NEW MEXICO, AND FOR
THE POOLING OF INTERESTS THEREIN
AS TO THE GAS RIGHTS WITHIN THE
VERTICAL LIMITS OF THE EUMONT
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on April 3, 1956 at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

NOW, on this 23rd day of May 1956, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application and the recommendations of the Examiner, Warren W. Mankin, 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 the provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool as set forth in Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

(3) That applicant, Amerada Petroleum Corporation and the Gulf Oil Corporation are the owners of oil and gas leases in Lea County, New Mexico, a portion of which consists of other than a legal section and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 31

containing 160 acres, more or less.

(4) That applicant, Amerada Petroleum Corporation by operating agreement with Gulf Oil Corporation have pooled all the working interests under the aforesaid described acreage.

(5) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid acreage known as their J. R. Phillips "A" Well No. 1 located 2310 feet from the North and East lines of said Section 31, and completed in the Eumont Gas Pool prior to the issuance of Order R-520.

(6) That it is impractical to pool applicants said lease with adjoining acreage in the Eumont Gas Pool and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 160 acres.

(7) That applicant has in good faith unsuccessfully attempted to voluntarily pool all royalty interests in aforesaid acreage.

(8) That denial by the Commission to pool the properties so requested in the application would deprive or tend to deprive the owner of such tract of the opportunity to recover its just and equitable share of the crude petroleum or natural gas or both in the pool.

(9) That creation of a proration unit consisting of the aforesaid acreage and the pooling of all interests therein will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the Amerada Petroleum Corporation for approval of a non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520, said unit consisting of the following described acreage, Lea County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 31

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

(2) That applicants well, J. R. Phillips "A" Well No. 1, located in the SW/4 NE/4 of Section 31, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 160 acre unit bears to the standard proration unit for the Eumont Gas Pool.

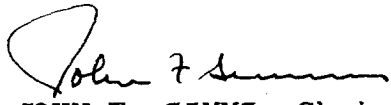
-3-
Order No. R-805

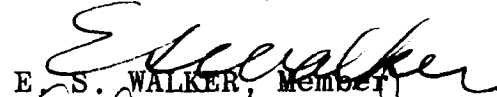
(3) That the following described properties are hereby pooled to constitute a 160 acre drilling and proration unit for the gas and associated hydrocarbons within the vertical limits of the Eumont Gas Pool:


The NE/4 of Section 31, Township 19
South, Range 37 East, Lea County,
New Mexico.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


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

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