

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. 796
Order No. R-597

THE APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT TO
RULE 5 (a) OF ORDER NO. R-520 IN THE
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 280 CONTIGUOUS ACRES
CONSISTING OF NW/4 AND W/2 SW/4 OF SECTION
35, TOWNSHIP 19 SOUTH, RANGE 36 EAST AND
THE NW/4 NW/4 OF SECTION 2, TOWNSHIP 20
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 December 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 28th day of February, 1955, the Commission, a quorum being present, having considered the record and the testimony adduced at said hearing, 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 Order No. R-520, the Commission has 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, is the owner of oil and gas lease or leases in Lea County, New Mexico, covering the land concerned herein which comprises other than a legal section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
NW/4 and W/2 SW/4 of Section 35

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
NW/4 NW/4 of Section 2

containing 280 acres, more or less.

(4) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid lease known as Amerada Petroleum Corporation Weir No. 4; located 1980 feet from the north line and 1980 feet from the west line of Section 35, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(5) That said well was completed and on production prior to August 12, 1954, the effective date of Order No. R-520, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That the establishment of an unorthodox gas proration unit consisting of NW/4 and W/2 SW/4 of Section 35, Township 19 South, Range 36 East, NMPM, has heretofore been approved by the Commission in Administrative Order NSP-34, said order being thereafter affirmed by the Commission after notice and hearing.

(7) That the royalty interest in the lease or leases under the proposed proration unit is of common ownership.

(8) That the entire unorthodox proration unit as herein proposed may be assumed productive of gas from the Eumont Gas Pool.

(9) That it is impractical to pool applicant's leases with adjoining acreage in the E/2 of the SW/4 of Section 35, Township 19 South, Range 36 East and the NW/4 of Section 2, Township 20 South, Range 36 East, and that there have been no objections to the formation of the proposed 280-acre unorthodox proration unit.

(10) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the full use and value of the leases herein described and the well located thereon.

(11) That the creation of the proration unit herein described is in the interests of conservation and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation for the approval of an unorthodox proration unit in the Eumont Gas Pool be and the same is hereby approved, and a proration unit consisting of the following described acreage is hereby created:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 35: NW/4, W/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 2: NW/4 NW/4

(2) That applicant's well, Amerada Petroleum Corporation, Weir No. 4, located in the SE/4 of the NW/4 of Section 35, Township 19 South, Range 36 East, NMPM, shall be granted an allowable in accordance with the Eumont Gas Pool Rules in the proportion that the above-described 280-acre proration unit bears to the standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

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

W. B. MACEY, Member and Secretary

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