

Case No.

797

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

January 17, 1955

Amerada Petroleum Corporation
Drawer D
Monument, New Mexico

Attention: Mr. D. C. Capps

Gentlemen:

We attach a copy of Order R-573 issued under date of
January 13, 1955, in Case 797.

Very truly yours,

W. B. Macey
Secretary - Director

WEM:mr

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P
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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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 797
Order No. R-573

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR
AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO
RULE 5 (a) (EUMONT) OF ORDER NO.
R-520 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF
240 CONTIGUOUS ACRES CONSISTING
OF THE E/2 NE/4 OF SECTION 11, AND
THE W/2 W/2 OF SECTION 12, TOWN-
SHIP 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 13th day of January, 1955, the Commission, a quorum being present, having considered the records 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 the 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, described as follows:

TOWNSHIP 20 SOUTH, RANGE 36 EAST
E/2 NE/4 of Section 11
W/2 W/2 of Section 12

containing 240 acres more or less.

(4) That applicant, Amerada Petroleum Corporation, has a producing gas well on the aforesaid lease or leases known as Amerada Petroleum Corporation Andrews No. 1, located 660 feet from the north line and 660 feet from the west line of Section 12, Township 20 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 royalty interest in the lease or leases covering the proposed proration unit is of common ownership.

(7) That the entire non-standard proration unit as herein proposed may be assumed to be productive of gas from the Eumont Gas Pool.

(8) That it is impractical to pool applicant's leases with adjoining acreage in the W/2 of Section 12 and the NE/4 of Section 11, Township 20 South, Range 36 East, and that there have been no objections to the formation of the proposed 240-acre non-standard proration unit.

(9) 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 lease or leases herein described and the well located thereon.

(10) 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 a non-standard 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 20 SOUTH, RANGE 36 EAST

Section 11: E/2 NE/4

Section 12: W/2 W/2

(2) That applicant's well, Amerada Petroleum Corporation, Andrews No. 1, located in the NW/4 NW/4 of Section 12, Township 20 South, Range 36 East, NMPM, shall be granted an allowable in the proportion that the above described 240-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
John F. Simms, Chairman

E. S. Walker
E. S. Walker, Member

W. B. Macey
W. B. Macey, Member and Secretary



BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 797

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 16, 1954

IN THE MATTER OF:

Application of Amerada Petroleum Corporation
for approval of a 240-acre non-standard gas proration
unit in the Eumont Gas Pool: E/2 NE/4 of Section 11
and W/2 W/2 of Section 12, in Township 20 South,
Range 36 East.

No. 797

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING
(See case No. 796)

R. S. CHRISTIE,

called as a witness, having been previously duly sworn in Case No.
796, and having testified in said case, further testified as follows:

DIRECT EXAMINATION

By: MR. WOODWARD:

Q Mr. Christie, will you describe the non-standard proration
unit proposed by Amerada in Case 797.

A A non-standard proration unit in 797 includes the west
half of the west half of Section 12, Township 20 South, Range 36
East and the east half of the northeast quarter of Section 11, in
Township 20 South, Range 36 East.

Q Is all the acreage in this proposed unit contiguous?

A Yes, it is.

Q Is it under the same leasehold and ownership?

A Yes, it is.

Q Where is the unit well located?

A The unit well is a gas well located in the northwest

quarter of Section 12, Township 20 South, Range 36 East.

Q Was this well completed before the effective date of order 420?

A Yes, I believe it was.

Q What acreage is presently attributed to that well for allowable purposes?

A At the present time the west half of the west half of Section 12 is contributed to the unit.

Q You are then asking that the east half of the northeast quarter in Section 11 be added to this unit, that is an 80 acre tract across the section line, be added to the acreage presently attributed to this well?

A That is correct, yes, sir.

Q In your opinion will this affect the formation of other proration units in Section 11?

A No, I don't believe it will.

Q In your opinion is this 80 acre tract productive?

A Yes, it is.

Q Will the formation of this unit protect the correlative rights and prevent waste?

A In my opinion it will, yes, sir.

Q All offset operators in Sections 11 and 12 have been notified of this proposed unit?

A Yes, they have.

Q That is the extent of our direct examination.

MR. MACEY: You have an exhibit?

MR. WOODWARD: Yes, Amerada's Exhibit A in case 797.

MR. MACEY: Any objection to the introduction of Exhibit A

in Case 797? If not, the exhibit will be received. Any questions of the witness?

MR. RHODES: I have one.

CROSS-EXAMINATION

By: MR. RHODES:

Q Mr. Christie, I note on the ownership map that the acreage immediately to the east, that would be the east half of the north-west quarter of Section 12 and also the west half of the east half of Section 12 is also owned by Amerada as your Bird lease, is it not?

A That is correct, yes.

Q Is that acreage already dedicated to a gas well in the area?

A No, it is not.

Q It is not?

A No, we are planning at the present time to drill a well for that particular 320 acres.

MR. WOODWARD: Mr. Christie, what is the difference in the ownership in the proposed unit and the Bird lease?

A The west half is -- the east half of the southwest quarter is different royalty interest than the remainder of that Bird lease, it requires some unitization.

Q I see. You say the same unit all under the mineral ownership?

A The proposed unit is all government land, federal lease.

Q Federal unit?

A Yes.

Q Federal lease?

A Yes.

MR. RHODES: And the royalty ownership is identical?

A Yes.

MR. MACEY: Are you through, Mr. Rhodes?

MR. RHODES: Yes, sir.

MR. MACEY: Any other questions of the witness? If not,
the witness may be excused.

(Witness excused.)

MR. MACEY: Take the case under advisement. Proceed to the
next case, No. 804.

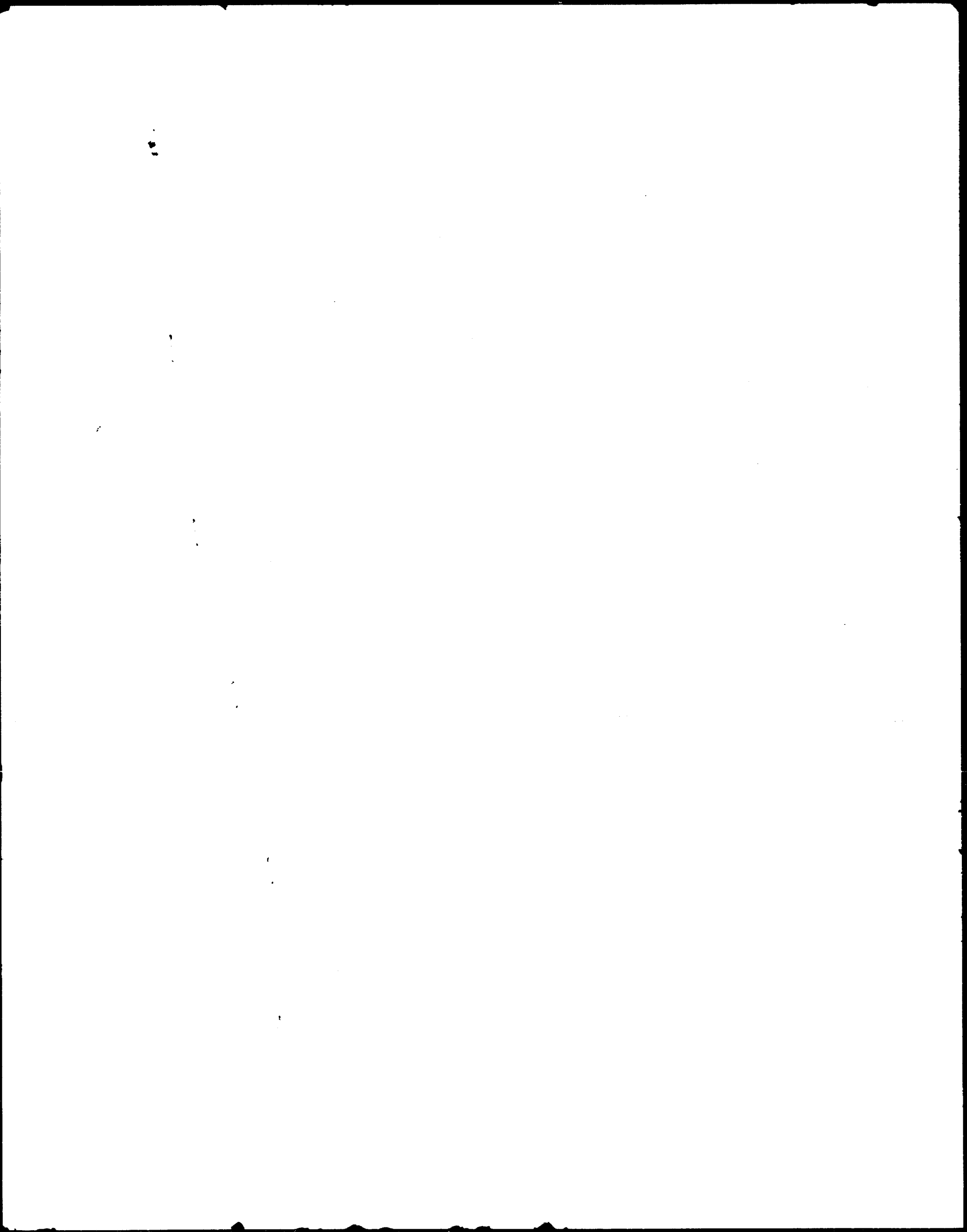
STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss.

I, MARGARET McCOSKEY, do hereby certify that the foregoing
and attached transcript of proceedings before the New Mexico Oil
Conservation Commission at Santa Fe, New Mexico, is a true and
correct record to the best of my knowledge, skill and ability.

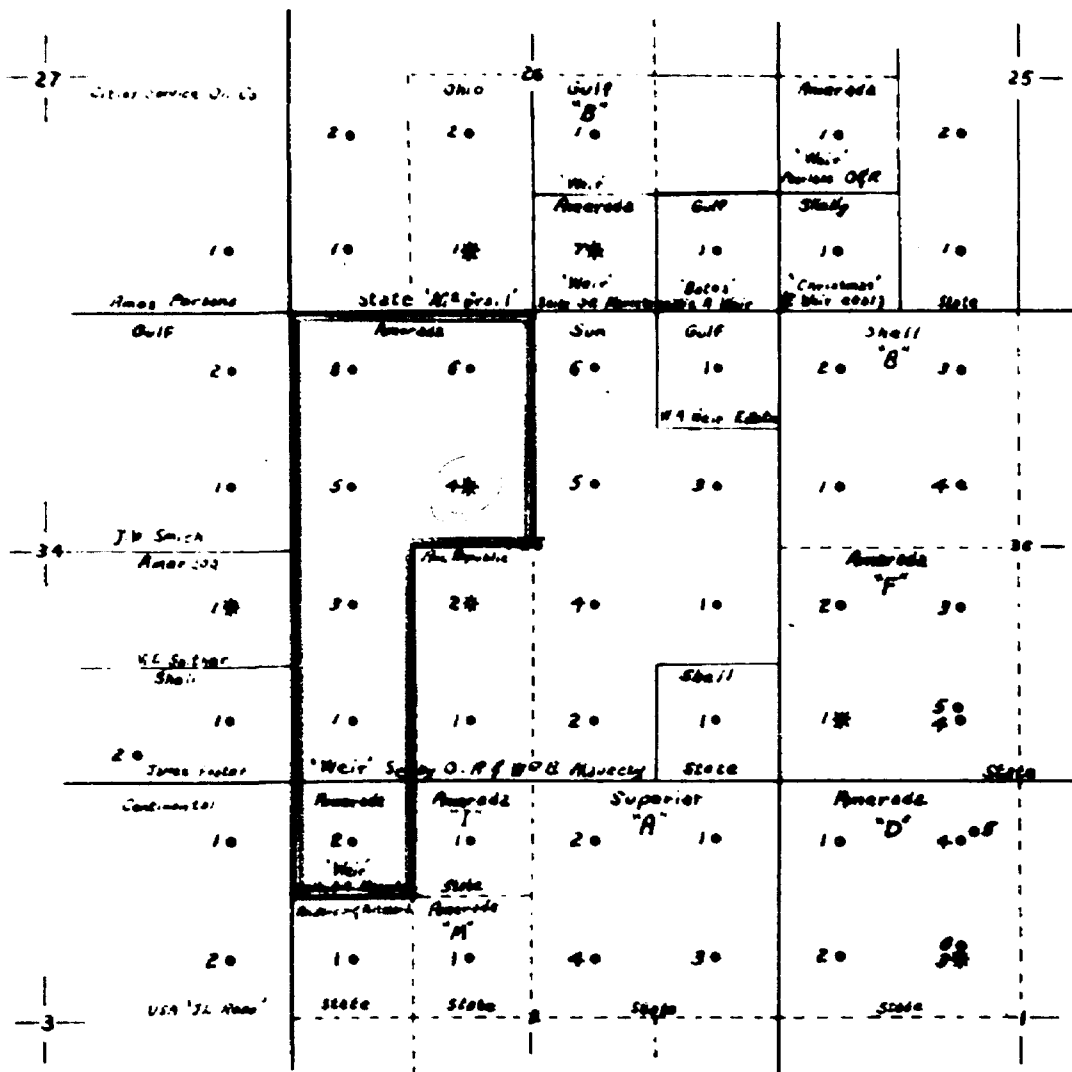
IN WITNESS WHEREOF I have affixed my hand and notarial seal
this 23rd day of December, 1954.

Margaret McCoskey
Notary Public-Court Reporter

My commission expires
August 15, 1956.



Amerada
 Cx A - Case 796



AMERADA PETROLEUM CORPORATION

'Weir' Selby O.R. & Wm.B. Maveety etal Lease
 NW/4 Sec. 35 and the W/2 of the SW/4, Sec. 35, T19-S, R36-E
 NW/4 of the NW/4, Sec. 2, T20-S, R36-E
 Lea County, New Mexico

Scale 1" 2000'

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

MAILED OFFICE CCC
NOV 9 1954

Can 111
Drawer D
Monument, New Mexico
November 6, 1954

New Mexico Oil Conservation Commission
State of New Mexico
Box 871
Santa Fe, New Mexico

Re: Application for Exception to Rule
5 (a), Order No. R-520 for Amerada
Andrews No. 1, Eumont Gas Pool.

Gentlemen:

By this letter of application Amerada Petroleum Corporation wishes to state the following:

- (a) That Amerada Petroleum Corporation Andrews No. 1 located 660 feet FNL and 660 feet FWL of Section 12, Township 20-S, Range 36-E, was recompleted as a gas well December 19, 1952.
- (b) That the subject well is producing gas from the Eumont Gas Pool and assigned a non-standard gas proration unit of 160 acres which comprises the W/2 of the W/2 of Section 12, Township 20-S, Range 36-E.
- (c) That the applicant proposes to increase the gas unit size from 160 to 240 acres by including the E/2 of the NE/4 of Section 11, Township 20-S, Range 36-E with the present 160 acre gas unit.
- (d) That the proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
- (e) That the proposed non-standard gas proration unit is a federal lease with one royalty interest.
- (f) That the proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.
- (g) That the proposed non-standard gas proration unit does not exceed 5280 feet in length or width.
- (h) That by copy of this letter of application all offset operators are notified.

Oil Conservation Commission

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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 to grant permission in order that applicant may increase the gas unit for the subject well as proposed in this application.

Respectfully submitted,
AMERADA PETROLEUM CORPORATION

By: D. C. Capps
D. C. Capps
District Superintendent

DCC/WGA/vh

cc: Sinclair Oil & Gas Company
Box 1427
Hobbs, New Mexico

Continental Oil Company
Box 427
Hobbs, New Mexico

Gulf Oil Corporation
Box 1667
Hobbs, New Mexico

Sunray Oil Corporation
V & J Tower Building
Midland, Texas

Shell Oil Company
Box 1957
Hobbs, New Mexico

The Texas Company
1001 McClintic Building
Midland, Texas

And Turner Jr. 1 "A"	2 Amarada 3 "J"	2 "B"	Gulf 2 "B"	Texas Co. 3 "E"	4 "H"	Amarada 3 "H"	SKelly 2 "D"
Amarada 2 "S"	1 "S"	1 "S"	1 "S"	10 "S"	20 "S"	10 "S"	10 "S"
Sinclair 2 "S"	1 "S"	Sinclair 1 "S"	Amarada 2 "S"	Amarada 1 "S"	Amarada 4 "S"	1 "S"	Baragdoll 9 "S"
5 "S"	7 "S"	4 "S"	3 "S"	5 "S"	5 "S"	2 "S"	4 "S"
6 "S"	3 "S"	2 "S"	2 "S"	4 "S"	1 "S"	3 "S"	5 "S"
6 "S"	5 "S"	4 "S"	3 "S"	6 "S"	2 "S"	6 "S"	8 "S"
Cont. 1 "A-14"	5 "A-14"	2 "A-14"	10 "A-14"	2 "E"	1 "E"	1 "D"	Amarada 1 "Z"
4 "B-14"	9 "B-14"	7 "B-14"	3 "B-14"	4 "B-14"	3 "B-14"	2 "B-14"	2 "B-14"

AMERICAN PETROLEUM CORPORATION
 "A-14" and "B-14" are the names of the wells.
 The "A-14" well is located in the Gulf of Mexico.
 The "B-14" well is located in the Gulf of Mexico.
 The "A-14" well is located in the Gulf of Mexico.
 The "B-14" well is located in the Gulf of Mexico.