

Entered June 28, 1977

*DR*

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. 5963  
Order No. R-5475

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 22, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of June, 1977, 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 240-acre non-standard gas proration unit comprising the SW/4 and W/2 SE/4 of Section 22, Township 20 South, Range 37 East, NMPM, to be simultaneously dedicated to its Gilluly B Federal Lease Wells Nos. 7 and 16, located at unorthodox locations in Units K and M, respectively, of said Section 22.

(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 aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his 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.

(5) That Commission Administrative Order NSP-263 which previously approved the subject proration unit should be superseded.

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Case No. 5963  
Order No. R-5475

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby granted a 240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and W/2 SE/4 of Section 22, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to be simultaneously dedicated to its Gilluly B Federal Lease Wells Nos. 7 and 16, located at unorthodox locations in Units K and M, respectively, of said Section 22.

(2) That Commission Administrative Order NSP-263 is hereby superseded.

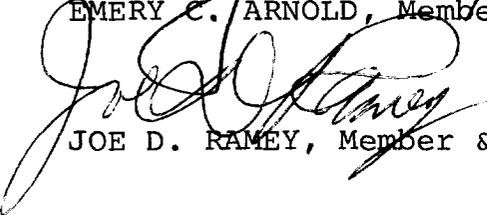
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

S E A L

jr/