

Entered April 19, 1956
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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. 1030
Order No. R-788

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 ESTABLISH-
MENT OF A NON-STANDARD GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF SE/4
SECTION 26, TOWNSHIP 19 SOUTH, RANGE 36
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 9 o'clock a.m. on
March 14, 1956 at Santa Fe, New Mexico, before the Oil Conservation
Commission of New Mexico, hereinafter referred to as the "Com-
mission".

NOW, on this 16th day of April 1956, the Commission,
a quorum being present, having considered the evidence adduced 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 36 EAST, NMPM
SE/4 Section 26

containing 160 acres, more or less.

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(4) That applicant, Amerada Petroleum Corporation and the Gulf Oil Corporation, by operating agreement, 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 the W. A. Weir Well No. 7 located in the SW/4 SE/4 of said Section 26, heretofore completed in the Monument Oil Pool on November 25, 1936 and plugged back and recompleted in the Queen formation of the Eumont Gas Pool on November 10, 1954.

(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 36 EAST, NMPM
SE/4 Section 26

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

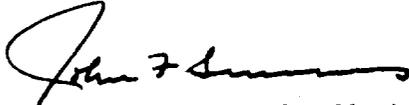
(2) That applicants well, W. A. Weir Well No. 7, located in the SW/4 SE/4 of Section 26, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 160 acre unit bears to the standard proration unit for the Eumont Gas Pool.

(3) 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.

- (1) The SE/4 of Section 26,
Township 19 South, Range
36 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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