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. 1144 Order No. R-887

A Barry Part

THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER GRANTING AN EXCEPTION TO RULE 5 (a) OF THE SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL AS SET FORTH IN ORDER R-520 FOR THE ESTABLISHMENT OF A 240-ACRE NON-STANDARD GAS PRORATION UNIT CONSISTING OF THE SW/4, THE SW/4 OF NW/4 AND THE SW/4 OF THE SE/4 OF SECTION 33, TOWNSHIP 19 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO, AND THE POOLING OF THE INTERESTS THEREIN OF 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 September 13, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this <u> $7^{\frac{1}{2}}$ </u> day of September, 1956, the Commission, a quorum being present, having considered the record herein and the evidence and testimony 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 the working interest owners of acreage in the proposed unit have entered into a communitization agreement.

(3) That certain royalty interests in the unit have not been communitized by agreement.

(4) That all interests should be communitized in said unit in order to serve the interests of conservation and protect correlative rights therein. -2-Order No. R-887

(5) That applicant is the owner of the Sarah Phillips No. 2 Well located in the NE/4 SW/4 of said Section 33, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, to which this unit should be dedicated.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation for an order granting an exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520 for the establishment of a 240-acre nonstandard gas proration unit consisting of the SW/4, the SW/4 of the NW/4 and the SW/4 of the SE/4 of Section 33, Township 19 South, Range 37 East, Lea County, New Mexico, be and the same is hereby granted.

(2) That applicant's well, the Sarah Phillips No. 2 Well, located in the NE/4 SW/4 of Section 33, Township 19 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, shall be granted an allowable in the proportion that the above-described 240-acre unit bears to the standard proration unit for said pool, according to Rule 12 of the Pool Rules, all until further order of the Commission.

(3) That all interests within the vertical limits of the Eumont Gas Pool under the 240-acres herein described be and the same are hereby pooled.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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JOHN F. SIMMS, Chairman

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

SEAL

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