

AMERADA HESS CORPORATION

OIL CONSERVATION DIVISION
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P. O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

May 23, 1992

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87505

ATTN: Mr. William J. Lemay

Re: Application for Administrative
Unorthodox Gas Well Location
Eumont Yates 7RQ (Pro Gas)
1650 FSL and 2310' FWL
Section 25, T-19S, R-36E
Lea County, New Mexico

Gentlemen:

Amerada Hess Corporation respectfully requests administrative approval of our application for the unorthodox gas well location.

We are planning to recomplete the State "T" #8 in the Eumont Yates Seven Rivers Queen Gas Pool. The State "T" #8 is located 1650' FSL and 2310' FWL, Section 25, T-19S, R-36E, Lea County, New Mexico. The well was officially abandoned in the Eunice Monument G/SA Zone in January, 1992. The proposed location is within an existing 160 acre proration unit, the State "T" Lease consisting of the E/2 W/2 of Section 25, T-19S, R-36E. The proposed location is unorthodox by virtue of being within 660' of the outer Eastern boundary of the proration unit.

This will be the second Eumont Well within the subject proration unit. The State "T" #3 shown on the attached plat, currently produces 100 MSCFD.

Since the minimum gas allowable was increased by Order No. R-8170-G, December 1, 1990 to 600 MCFD for a 160 acre proration unit, the proposed well will enable Amerada Hess Corporation to economically increase gas production from the unit.

A well location and acreage dedication plat is attached as well as a map showing ownership of all leases offsetting the proration unit for which the unorthodox location is sought, and also the wells completed thereon. Furthermore, a copy of this letter has been sent by certified mail to Chevron, Oryx, Owens and Texaco, the four offset operators of offset proration units.

Sincerely,

A handwritten signature in cursive script that reads "G.A. Greer".

G.A. Greer
District Engineer

Attachments

XC: NMOCD - Hobbs

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

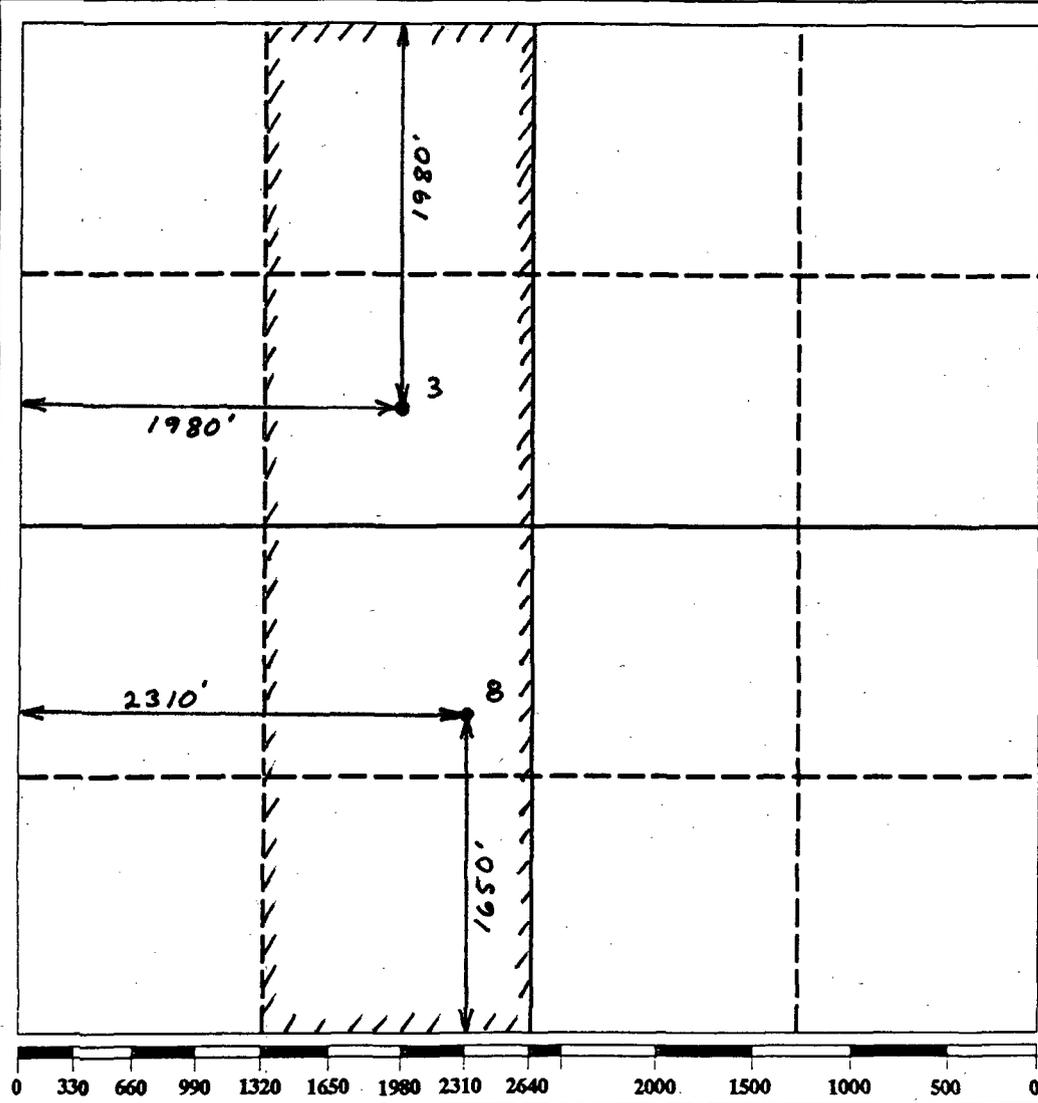
All Distances must be from the outer boundaries of the section

Operator Amerada Hess Corporation			Lease State "T"		Well No. 8
Unit Letter K	Section 25	Township 19S	Range 36E	County NMPM Lea	
Actual Footage Location of Well: 2310 feet from the South line and 1650 feet from the West line					
Ground level Elev. 3667'	Producing Formation Eumont Yates 7RQ		Pool Eumont proration	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
S. A. Green

Printed Name
 G. A. Green

Position
 District Engineer

Company
 Amerada Hess Corporation

Date
 5-22-92

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
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HOBBS DISTRICT OFFICE

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5-29-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Amerada Hess Corp. State T #8-K 25-19-36
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed

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 CON-
SIDERING:

CASE NO. 645
Order No. R-437

THE APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT TO
RULE 7 (a) OF ORDER NO. R-370-A IN ESTABLISH-
MENT OF AN UNORTHODOX GAS PRORATION UNIT
OF 160 CONTIGUOUS ACRES CONSISTING OF THE
EAST HALF OF THE WEST HALF OF SECTION 25,
TOWNSHIP 19 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 January 20, 1954, and on February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records 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 pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Amerada Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 of W/2 of Section 25

containing 160 acres, more or less.

(4) That applicant, Amerada Petroleum Corporation, has a producing well on the aforesaid lease known as State "T", No. 3, located 1980 feet from the north line and 1980 feet from the west line of Section 25, Township 19 South, Range 36 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 25, Township 19 South, Range 36 East, NMPM, and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Amerada Petroleum Corporation, for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
E/2 of W/2 of Section 25

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

(2) That applicant's well, State "T", No. 3, located in the SE/4 NW/4 of Section 25, Township 19 South, Range 36 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary and Member

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Amerada Hess Corporation
State "T" Lease

Application for an Unorthodox
Gas Well Location
Eumont Yates 7RQ (Gas Pro)
1650' FSL and 2310' FWL
Section 25, T-19S, R-36E
Lea County, New Mexico

NSL-3123

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Amerada Hess Corporation's application for NMOCD approval of an unorthodox gas well location in the Eumont Yates Seven Rivers Queen Pool. The proposed well will be located at 1650' FSL and 2310' FWL, Section 25, T-19S, R-36E, Lea County, New Mexico.

COMPANY TEXACO EOP Inc.

REPRESENTATIVE Russell S. Pool

SIGNATURE Russell S. Pool

DATE 7-1-92

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Amerada Hess Corporation
State "T" Lease

NSL-3123

Application for an Unorthodox
Gas Well Location
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COMPANY Chevron U.S.A.

REPRESENTATIVE Alan W. Bohling - Proration
Engineer

SIGNATURE Alan W. Bohling

DATE June 25, 1992