

**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. 804
Order No. R-587**

**THE APPLICATION OF THE AMERADA
PETROLEUM CORPORATION FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 5 (a)
OF ORDER NO. R-520 IN THE ESTABLISH-
MENT OF A NON-STANDARD GAS PRODA-
TION UNIT OF 240 ACRES CONSISTING OF
THE NW/4 AND W/2 NE/4 OF SECTION 32,
TOWNSHIP 19 SOUTH, RANGE 37 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 of the State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this *16th* day of February, 1955, the Commission, a quorum being present, having considered the record 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 pro-
duction 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 leases covering the E/2 NW/4 and the W/2 NE/4 of Section 32, Township 19 South, Range 37 East, consisting of approximately 160 acres.

(4) That the applicant, Amerada Petroleum Corporation, proposes to communitize said lands with the W/2 NW/4 of Section 32, Township 19 South, Range 37 East, which land is leased from the State of New Mexico by Amerada Petroleum Corporation, to form a non-standard gas pro-
duction unit consisting of 240 acres.

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(5) That the applicant, Amerada Petroleum Corporation, has a producing gas well on the aforesaid lease or leases known as Amerada Petroleum Corporation State "U" No. 1, located 660' from the west line and 1980' from the north line of Section 32, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(6) 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.

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

(8) 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 the aforementioned acreage is permitted, applicant will be deprived of the full use and value of the leases herein described and the gas 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 hereby is approved, and a proration unit consisting of the following described acreage is hereby created:

TOWNSHIP 19 SOUTH, RANGE 37 EAST
Section 32: NW/4, W/2 NE/4

containing 240 acres, more or less.

(2) That applicant's well, Amerada Petroleum Corporation State "U" No. 1, located in SW/4 NW/4 of Section 32, Township 19 South, Range 37 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, such allowable to date from the first day of the proration month next succeeding the approval of the communitization agreement heretofore mentioned, by the Commissioner of Public Lands, all until further order of the Commission.

PROVIDED FURTHER, that applicant shall furnish the Commission with an approved copy of said communitization agreement.

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, Secretary and Member