

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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MAIN OFFICE OCC

IN THE MATTER OF THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN ORDER AMENDING
ORDER NO. R-991 INsofar AS SAID ORDER PERTAINS
TO THE BAGLEY UPPER PENNSYLVANIAN GAS POOL,
LEA COUNTY, NEW MEXICO, TO EXTEND THE HORIZONTAL
LIMITS OF SAID POOL AND TO PROVIDE FOR STANDARD
DRILLING UNITS OF 320 ACRES

CAUSE NO. 1325

APPLICATION

Comes now, Amerada Petroleum Corporation, Tulsa, Oklahoma, and alleges and states:

1. This Commission by its Order No. R-991, Case No. 1220, dated May 1, 1957, identified the Bagley-Upper Pennsylvanian Gas Pool as a separate common source of supply and defined its vertical limits to be between minus 4250 feet to minus 4510 feet subsea datum and the horizontal limits to be the N/2 and SE/4 of Section 3-12S-33E, N.M.P.M., Lea County, New Mexico.

2. This Order No. R-991 also provides in Rule 2 (a) thereof that each well drilled or recomplected within the limits of the Bagley-Upper Pennsylvanian Gas Pool shall be drilled, spaced and operated in accordance with the applicable provisions of Rule 104 of the Commission's general rules and regulations which provides that each well drilled within said pool shall be located on a designated drilling tract consisting of 160 acres substantially in the form of a square which is a quarter section, being a legal subdivision of the United States Public Land Survey.

3. Wells now completed in the Bagley-Upper Pennsylvanian Gas Pool include the following:

- (a) Amerada-J. T. Caudle Well No. 7C located in the NE/4 NW/4 Sec. 3-12S-33E;
- (b) Amerada-Mathers No. 2 Well located in the SE/4 SE/4 Sec. 3-12S-33E;
- (c) Texas Pacific Coal & Oil Company State "C" Ac/2 Well No. 1 located in the NE/4 NE/4 Sec. 4-12S-33E;
- (d) Amerada-Mathers "B" Well No. 1 located in the SE/4 NW/4 Sec. 33-11S-33E.

4. Applicant has evidence to show that the Bagley-Upper Pennsylvanian Gas Pool underlies all or a substantial portion of the W/2 SW/4 Section 2; N/2, SE/4, N/2 SW/4 of Section 3; N/2 and the N/2 SE/4 of Section 4-12S-33E; S/2, S/2 N/2 of Section 33; S/2, S/2 N/2 of Section 34-11S-33E, Lea County, New Mexico, and further alleges that the horizontal limits of said pool should be extended to include the lands herein described.

5. Applicant has evidence to show that one well will efficiently and economically drain a minimum of 320 acres and alleges that Rule 2 of Order No. R-991 should be amended to provide for the drilling, spacing and operation of one well for each 320 acres and that a standard proration unit shall comprise of such 320 acres.

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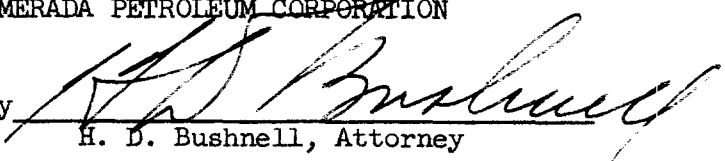
6. Applicant alleges that an amendment of Order No. R-991 to extend the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool and to provide for drilling and proration units of 320 acres is necessary in order to prevent waste and to protect correlative rights of owners in the pool.

WHEREFORE, Applicant respectfully requests that the Commission set this application for public hearing at the time and place to be fixed by the Commission, that due and proper notice be given as required by law, and at the conclusion of said hearing the Commission make and enter its order amending Order No. R-991 in the manner herein provided and provide for such other rules and regulations as the Commission deems necessary for the purposes herein stated.

DATED, this 23 day of August, 1957.

AMERADA PETROLEUM CORPORATION

By


H. D. Bushnell, Attorney