

## MEMORANDUM

TO: Oil Conservation Commission and Messrs. Yost and Kitts

FROM: W. B. Macey, Chief Engineer

Subject: Case No. 664

This case is a companion case to Case 665 and involves the formation of an unorthodox proration unit in Case 664, a one unit of forty acres and in Case 665 three units of 43.69 acres. The pertinent facts pertaining to this case are as follows:

A. The petitioner, Amerada, desires to form a proration unit consisting of Lot 1 (24.46 acres) and 15.54 acres of Lot 2 in Section 14, Township 13 South, Range 38 East in the Bronco-Siluro-Devonian Pool. This would form a unit of 40 acres. The lots in question are along the state line between Texas and New Mexico. The lots in question are within the defined limits of the pool.

Amerada is the owner of an oil and gas lease covering the lots in question. Amerada has drilled a well known as the #1 Schenck in Lot 1 to the producing horizon of the pool.

### RECOMMENDATION:

It is recommended that the order be entered approving the formation of this 40 acre unit since it would be in the interests of conservation, the protection of correlative rights and the prevention of waste, (if a well were drilled on each lot, each well would only get 24/40ths of an allowable.

April 19, 1954