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application*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR AN ORDER ESTABLISHING 320 ACRE
PRORATION UNITS, WITH ALLOWABLE
ADJUSTMENT, FOR A COMMON SOURCE
OF SUPPLY IN THE PICTURED CLIFFS
FORMATION UNDERLYING ALL OF
TOWNSHIP 25 NORTH AND TOWNSHIP 24
NORTH AND THE N/2 OF TOWNSHIP 23
NORTH, ALL IN RANGE 5 WEST, RIO
ARRIBA COUNTY, NEW MEXICO.

CASE NO. *954*
ORDER NO.

APPLICATION

COMES NOW, Amerada Petroleum Corporation and alleges
and states:

1. That it is the owner of oil and gas leases covering lands overlying a common source of supply in the Pictured Cliffs formation located in Township 25 North and Township 24 North and the N/2 of Township 23 North all in Range 5 West, Rio Arriba County, New Mexico.
2. That the top of said common source of supply is found at a depth of 2184 feet in the Amerada-Jicarrilla Apache Well #1 "B" located in the SE/4 NW/4 of Township 24 North, Range 5 West, Rio Arriba County, New Mexico.
3. That one well completed in said common source of supply will efficiently and economically drain an area of not less than 320 acres.
4. That, for the prevention of waste and the protection of correlative rights, the Commission should enter its order establishing 320 acre proration units in said common source of supply and fix the allowable therefor on an acreage basis.
5. That said 320 acre units shall consist of two contiguous governmental quarter sections, as designated by the operators thereof, and the unit well shall be drilled not closer than 660' from the boundary of either such governmental quarter section included in a unit; provided, that all wells commenced prior to the date the commission issues its order in this case and located closer than 660 feet to the boundary of a governmental quarter section shall be recognized as exception wells.

WHEREFORE, applicant respectfully requests that this matter be set for hearing after due notice as prescribed by law, and upon such notice and hearing the Commission issues its order establishing 320 acre proration units with allowable adjustment for said common source of supply in the manner described herein.

John R. Woodward
Attorney for Applicant