

Case 1276

GENERAL OFFICES
120 BROADWAY NEW YORK

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040
TULSA 2, OKLA.

ROBERT J. STANTON
GENERAL COUNSEL
JOHN S. MILLER
ASSISTANT GENERAL COUNSEL

LEGAL DEPARTMENT

May 24, 1957

H. D. BUSHNELL
HAROLD J. FISHER
ROBERT T. JAMES
ROBERT E. LEE
JAMES C. MCWILLIAMS
VIRGIL C. MORELLE
ARDEN E. ROSS
ATTORNEYS

Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Amerada's Application for an
Order amend Order No. R-991,
insofar as said order pertains
to the Bagley-Lower Pennsylvanian
Gas Pool, Bagley Pool, Lea County,
New Mexico.

Gentlemen:

We enclose original and two copies of our Application on
captioned matter, and ask that it be set for hearing, if possible,
either at the general hearing to be had in June, or for an Examiner's
hearing some time in June.

Very truly yours,

H. D. Bushnell

HDB:FC
Encls.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF AMERADA
 PETROLEUM CORPORATION FOR AN ORDER AMENDING
 ORDER NO. R-991, INSOFAR AS SAID ORDER PER-
 TAINS TO THE BAGLEY-LOWER PENNSYLVANIAN GAS
 POOL, BAGLEY POOL, LEA COUNTY, NEW MEXICO,
 TO EXTEND THE HORIZONTAL LIMITS OF SAID POOL
 TO INCLUDE THE SE/4 SECTION 33, S/2 SECTION
 34-11S-33E; N/2 SECTION 3, AND NE/4 OF
 SECTION 4-12S-33E, LEA COUNTY, NEW MEXICO,
 AND TO PROVIDE FOR STANDARD DRILLING UNITS
 OF 320 ACRES.

CASE NO. 1276APPLICATION

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

1. That on May 1, 1957, this Commission, in Case No. 1220, after due notice and hearing had on March 14, 1957, at Santa Fe, New Mexico, issued its Order No. R-991 defining the vertical and horizontal limits of the "9800-foot" or "Lower" zone, thereby defined and identified as the Bagley-Lower Pennsylvanian Gas Pool.

2. That the Commission by its order defined the vertical limits of the Bagley-Lower Pennsylvanian Gas Pool to be the interval between minus 5400 feet to minus 5620 feet subsea datum; that the horizontal limits of said Gas Pool shall be the SE/4 of Section 33-11S-33E, and the NW/4 of Section 3, and NE/4 of Section 4-12S-33E, Lea County, New Mexico; and that said Gas Pool shall be drilled, spaced and operated in accordance with the applicable provisions of Rule 104 of the Commission Rules and Regulations, which provides, as the state-wide rule, that each well drilled within the defined limits of the Gas Pool shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U. S. Public Land Surveys.

3. That Applicant has evidence to show that the horizontal limits of said Gas Pool underlies all or a substantial portion of the SE/4 Sec. 33, S/2 Sec. 34-11S-33E; N/2 Sec. 3, and NE/4 of Sec. 4-12S-33E, Lea County, New Mexico, that one well will drain a minimum of 320 acres within said pool and that it is not economical to drill or recomplete wells in excess of one well for each 320 acres.

4. That Order No. R-991 should be amended to extend the horizontal limits of the Bagley-Lower Pennsylvanian Gas Pool to include the lands herein described; that Rule 2-A of said Order should be amended to provide for standard drilling units of 320 acres, more or less, consisting of 320 surface contiguous acres comprised of two quarter sections, said quarter sections being a legal subdivision of the U. S. Public Land Surveys; and that the authorized well shall not be drilled closer than 660 feet to any outer boundary line of any 320-acre tract, nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary, nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.

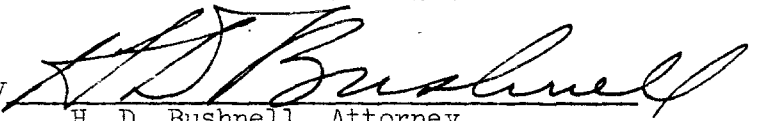
5. That Order No. R-991 should be amended as herein provided in order to properly develop the Bagley-Lower Pennsylvanian Gas Pool source of supply, to avoid the completion of unnecessary wells and to protect the correlative rights of owners in said pool.

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 defining the proper productive limits of the Bagley-Lower Pennsylvanian Gas Pool, referred to above, and enter such other rules and regulations as the Commission deems necessary for the purposes herein stated.

Dated this 24th day of May, 1957.

AMERADA PETROLEUM CORPORATION

By


H. D. Bushnell, Attorney.