

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR THE
ESTABLISHMENT OF THREE PRORATION UNITS
IN THE SE $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 13
SOUTH, RANGE 38 EAST, LEA COUNTY, NEW
MEXICO, FOR THE PURPOSE OF ALLOCATING
PRODUCTION OF OIL FROM THE BRONCO-
MISSISSIPPIAN FORMATION

CASE NO. 1-12

APPLICATION

Comes now Amerada Petroleum Corporation and alleges and states the following:

1. Applicant is owner of oil and gas leases covering the SE $\frac{1}{4}$ of Section 11, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico;
2. Applicant is owner of the Ward No. 2 well located approximately 660 feet from the North and 520 feet from the East line of the said quarter-section, capable of producing oil in paying quantities from the Bronco-Mississippian formation;
3. The East line of the said SE $\frac{1}{4}$ coincides with the boundary line between the states of New Mexico and Texas, and, because of the necessary survey adjustment on the East line, this quarter section contains only 131.07 acres; and standard proration units ~~cannot be established in said quarter section~~;
4. Applicant seeks an order to establish three proration units, each unit to consist of 43.69 acres, to be located so that the first unit shall consist of the East 43.69 acres of the said quarter section, and the second and third units shall consist of the remaining acreage in the SE $\frac{1}{4}$, each to contain 43.69 acres, as outlined on the Exhibit attached hereto and made a part of this Application;
5. That the establishment of the three proration units in said quarter section as herein proposed will secure to the Applicant the full use and value of wells drilled or to be drilled in said quarter section, and the establishment of such units will be in the best interests of conservation and will serve to protect correlative rights;
6. In order to protect the rights of owners, such order should provide for granting an allowable in the proportion that the 43.69-acre proration unit bears to the standard or orthodox 40-acre proration unit.

WHEREFORE, Applicant requests that this matter be set for hearing, that notice thereof be given as required by law, and, that upon hearing, this Commission enter its order establishing the three non-standard proration units for the production of oil from the Bronco-Mississippian oil formation and granting an allowable in the proportion that 43.69-acre proration unit bears to the standard or orthodox 40-acre proration unit.

AMERADA PETROLEUM CORPORATION

By H. D. Bushnell

H. D. Bushnell

KELLAHIN AND FOX

By Jason W. Kellahin

Jason W. Kellahin

Attorneys for Applicant