

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR THE EXTENSION OF SPACING
ORDER COVERING THE CHESTER FORMATION
UNDERLYING CERTAIN LANDS IN BEAVER
COUNTY, OKLAHOMA

CAUSE CD NO. 12552

IN THE MATTER OF THE APPLICATION OF
THE APACHE OIL CORPORATION FOR AN
ORDER ESTABLISHING 640-ACRE DRILLING
AND SPACING UNITS FOR THE DEVELOPMENT
AND PRODUCTION OF GAS AND GAS CONDENSE-
SATE FROM THE MORROW AND CHESTER LIME
COMMON SOURCES OF SUPPLY UNDERLYING
SECTIONS 25 AND 36, TOWNSHIP 5 NORTH,
RANGE 20 ECM, SECTIONS 1, 12, 13,
TOWNSHIP 4 NORTH, RANGE 20 ECM, SEC-
TIONS 28, 29, 30, 31, 32, 33, TOWN-
SHIP 5 NORTH, RANGE 21 ECM, SECTIONS
3 THROUGH 10 BOTH INCLUSIVE, AND SEC-
TIONS 15, 16, 17 AND 18, TOWNSHIP 4
NORTH, RANGE 21 ECM, BEAVER COUNTY,
OKLAHOMA

CAUSE CD NO. 12432

ORDER NO. 40746

REPORT OF THE COMMISSION

The above causes came on for hearing before the Corporation Commission of Oklahoma on October 1, 1959, at 10 o'clock a. m. in the Commission's Courtroom, Capitol Office Building, Oklahoma City, Oklahoma, the Honorable Ray C. Jones, Chairman, Wilburn Cartwright, Vice Chairman, and Harold Freeman, Commissioner, sitting.

The causes were referred to W. H. Sollers, Trial Examiner, for the purpose of taking testimony and reporting to the Commission.

Cecil C. Hamilton, Attorney, appeared for the applicant Phillips Petroleum Company; Barth P. Walker, Attorney, appeared for the applicant Apache Oil Corporation; John R. Lewis appeared for Pan American Petroleum Corporation; and Ferrill H. Rogers, Conservation Attorney, and L. D. Hoyt, Assistant Conservation Attorney, appeared for the Commission.

The Trial Examiner consolidated the causes, heard the evidence, and has filed a report recommending that the applications be granted, which report and recommendation are hereby adopted and the Commission therefore finds as follows:

FINDINGS

1. That Cause CD No. 12552 is an application of Phillips Petroleum Company for an order extending the area covered by Order No. 33833 and to supersede Order No. 31483 and Order No. 37507. That Cause CD No. 12432 is an application of Apache Oil Corporation to establish 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester Lime common source of supply underlying certain lands in Beaver County, Oklahoma.

2. That the Commission has jurisdiction over the subject matter herein; that notice has been given in all respects as required by law and no protests have been entered to the granting of the applications.

3. That by Order No. 33833 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

All of Sections 24, 25 and 36, Township 5 North, Range 21 ECM;
All of Sections 1, 2 and 3, and Sections 8 through 24, and
Sections 29 through 32, Township 5 North, Range 22 ECM; All
in Beaver County, Oklahoma.

That by Order No. 31483 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

All of Sections 5, 6, 7 and 8, Township 4 North, Range 23
ECM, Beaver County, Oklahoma.

That by Order No. 37507 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

Sections 4 through 9, Township 3 North, Range 21 ECM, and
Sections 31, 32, 33, Township 4 North, Range 21 ECM, All in
Beaver County, Oklahoma.

4. That subsequent development now indicates that said common source of supply extends beyond the area heretofore spaced and underlies the following described lands:

Sections 1, 12, 13, Township 4 North, Range 20 ECM;
Sections 25 and 36, Township 5 North, Range 20 ECM;
Sections 28, 29, 30, 31, 32, and 33, Township 5 North,
Range 21 ECM;
Sections 1 through 30 and Sections 34 through 36, Township
4 North, Range 21 ECM;
All of Township 4 North, Range 22 ECM;
Sections 1 through 4 and Sections 9 through 36, Township 4
North, Range 23 ECM;
Sections 4 through 9, and Sections 16 through 21, and
Sections 29 through 32, All in Township 4 North, Range 24 ECM;
Sections 25 through 28, and Sections 33 through 36, Township
5 North, Range 22 ECM;
Sections 4 through 9, and Sections 18, 19, and 30, Township
5 North, Range 23 ECM; All in Beaver County, Oklahoma.

5. That said Order No. 33833 should be extended to cover the lands described in numerical paragraph 4 above and the lands covered by Order No. 31483 and Order No. 37507, and the well pattern provided for in said Order No. 33833 should be modified and changed to 933 feet from the center of each unit; that Orders Nos. 31483 and 37507 should be superseded and the lands covered thereby should be included in the extension of said Order No. 33833 as hereinafter set forth.

6. That an exception should be allowed for any well that has heretofore been drilled to and completed in, or that is now drilling to the Chester formation common source of supply that is not located within 933 feet from the center of the unit and such well shall be the well for the unit on which it is located.

7. That in the interest of securing the greatest ultimate recovery of natural gas and natural gas condensate from the pool, the prevention of waste and the protection of correlative rights, said applications should be granted.

ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of Oklahoma as follows:

1. That the area spaced by Order No. 33833 creating 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply be, and the same is hereby, extended so that the spaced area shall be as follows:

Sections 4 through 9, Township 3 North, Range 21 ECM;
Sections 1, 12 and 13, Township 4 North, Range 20 ECM;
All of Township 4 North, Ranges 21, 22 and 23 ECM;
Sections 4 through 9, and Sections 16 through 21, and
Sections 29 through 32, Township 4 North, Range 24 ECM;
Sections 25 and 36, Township 5 North, Range 20 ECM;
Sections 28 through 33, Sections 24, 25 and 36, Township
5 North, Range 21 ECM;
Sections 1, 2 and 3, and Sections 8 through 36, Township
5 North, Range 22 ECM;
Sections 4 through 9, and Sections 18, 19 and 30, Township
5 North, Range 23 ECM;
All in Beaver County, Oklahoma.

2. That each drilling and spacing unit shall consist of one governmental section and the permitted well shall be located within 933 feet of the center of the unit, and an exception is hereby allowed for any well that has heretofore been drilled to or is now drilling to the Chester formation common source of supply that is not located within 933 feet of the center of each unit, and said well shall be the permitted well for the unit on which it is located.

3. That Order No. 31483 and Order No. 37507 are hereby superseded, and the well pattern of 1320 feet from the center of each unit provided for in Order No. 33833 is hereby amended and changed to 933 feet from the center of each unit.

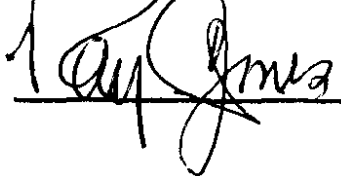
4. That a map be attached hereto marked Exhibit "A" and made a part hereof showing the outline of the area spaced herein, the size and shape of the drilling units and the location of the permitted well in each unit.

5. That all royalty interests within any spacing unit shall be communized and each royalty owner within any unit shall participate in the royalty from the well drilled thereon in the relation that the acreage owned by him bears to the total acreage in the unit.

6. That in the event there are divided or undivided interests within any unit and the parties are unable to agree on a plan for the development of the unit, then their rights and equities shall be adjudicated by the Commission as provided for by 87.1, Title 52, 1951 O.S.

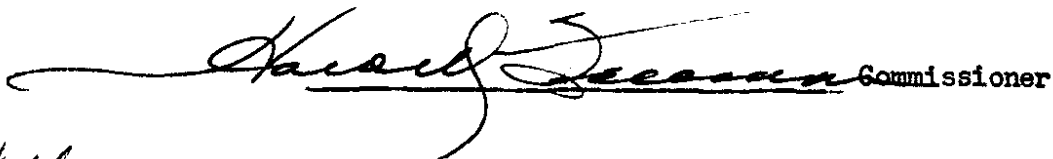
DONE AND PERFORMED this 19 day of ~~October~~, 1959.

CORPORATION COMMISSION OF OKLAHOMA



Chairman

Vice-Chairman

 Commissioner

ATTEST:


Secretary

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The Trial Examiner consolidated the causes, heard the evidence, and has filed a report recommending that the applications be granted, which report and recommendation are hereby adopted and the Commission therefore finds as follows:

F I N D I N G S

1. That Cause CD No. 12552 is an application of Phillips Petroleum Company for an order extending the area covered by Order No. 33833 and to supersede Order No. 31483 and Order No. 37507. That Cause CD No. 12432 is an application of Apache Oil Corporation to establish 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester Lime common source of supply underlying certain lands in Beaver County, Oklahoma.

2. That the Commission has jurisdiction over the subject matter herein; that notice has been given in all respects as required by law and no protests have been entered to the granting of the applications.

3. That by Order No. 33833 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

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All of Sections 1, 2 and 3, and Sections 8 through 24, and
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in Beaver County, Oklahoma.

That by Order No. 31483 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

All of Sections 5, 6, 7 and 8, Township 4 North, Range 23
ECM, Beaver County, Oklahoma.

That by Order No. 37507 the Commission established 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply underlying the following described lands:

Sections 4 through 9, Township 3 North, Range 21 ECM, and
Sections 31, 32, 33, Township 4 North, Range 21 ECM, All in
Beaver County, Oklahoma.

4. That subsequent development now indicates that said common source of supply extends beyond the area heretofore spaced and underlies the following described lands:

Sections 1, 12, 13, Township 4 North, Range 20 ECM;
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All of Township 4 North, Range 22 ECM;
Sections 1 through 4 and Sections 9 through 36, Township 4
North, Range 23 ECM;
Sections 4 through 9, and Sections 16 through 21, and
Sections 29 through 32, All in Township 4 North, Range 24 ECM;
Sections 25 through 28, and Sections 33 through 36, Township
5 North, Range 22 ECM;
Sections 4 through 9, and Sections 18, 19, and 30, Township
5 North, Range 23 ECM; All in Beaver County, Oklahoma.

5. That said Order No. 33833 should be extended to cover the lands described in numerical paragraph 4 above and the lands covered by Order No. 31483 and Order No. 37507, and the well pattern provided for in said Order No. 33833 should be modified and changed to 933 feet from the center of each unit; that Orders Nos. 31483 and 37507 should be superseded and the lands covered thereby should be included in the extension of said Order No. 33833 as hereinafter set forth.

6. That an exception should be allowed for any well that has heretofore been drilled to and completed in, or that is now drilling to the Chester formation common source of supply that is not located within 933 feet from the center of the unit and such well shall be the well for the unit on which it is located.

7. That in the interest of securing the greatest ultimate recovery of natural gas and natural gas condensate from the pool, the prevention of waste and the protection of correlative rights, said applications should be granted.

ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of Oklahoma as follows:

1. That the area spaced by Order No. 33833 creating 640-acre drilling and spacing units for the production of natural gas and natural gas condensate from the Chester formation common source of supply be, and the same is hereby, extended so that the spaced area shall be as follows:

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All of Township 4 North, Ranges 21, 22 and 23 ECM;
Sections 4 through 9, and Sections 16 through 21, and
Sections 29 through 32, Township 4 North, Range 24 ECM;
Sections 25 and 36, Township 5 North, Range 20 ECM;
Sections 28 through 33, Sections 24, 25 and 36, Township
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2. That each drilling and spacing unit shall consist of one governmental section and the permitted well shall be located within 933 feet of the center of the unit, and an exception is hereby allowed for any well that has heretofore been drilled to or is now drilling to the Chester formation common source of supply that is not located within 933 feet of the center of each unit, and said well shall be the permitted well for the unit on which it is located.

3. That Order No. 31483 and Order No. 37507 are hereby superseded, and the well pattern of 1320 feet from the center of each unit provided for in Order No. 33833 is hereby amended and changed to 933 feet from the center of each unit.

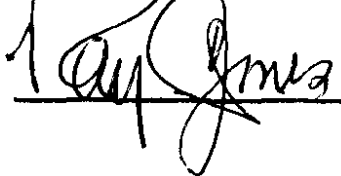
4. That a map be attached hereto marked Exhibit "A" and made a part hereof showing the outline of the area spaced herein, the size and shape of the drilling units and the location of the permitted well in each unit.

5. That all royalty interests within any spacing unit shall be communized and each royalty owner within any unit shall participate in the royalty from the well drilled thereon in the relation that the acreage owned by him bears to the total acreage in the unit.

6. That in the event there are divided or undivided interests within any unit and the parties are unable to agree on a plan for the development of the unit, then their rights and equities shall be adjudicated by the Commission as provided for by 87.1, Title 52, 1951 O.S.

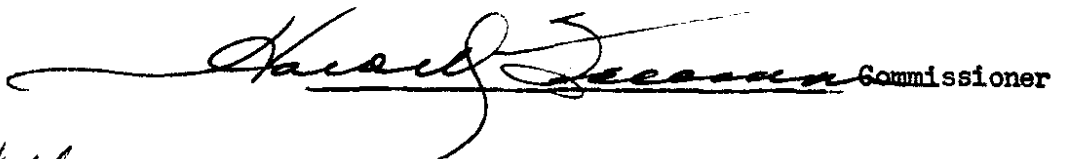
DONE AND PERFORMED this 19 day of ~~October~~, 1959.

CORPORATION COMMISSION OF OKLAHOMA



Chairman

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ATTEST:


Secretary