

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF MINES AND MINERAL INDUSTRIES
OIL AND GAS CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION

OF

FELMONT OIL CORPORATION FOR A)
PORTION OF THE FIVE FORKS GAS)
POOL, SOUTHAMPTON, MONROE, AND)
MANN TOWNSHIPS, BEDFORD COUNTY,)
PENNSYLVANIA.)

SPACING ORDER
DOCKET NO. 2

APPEARANCES

John R. Ebright, Geologist, William H. Young, Vice President and General
Manager, H. Ames Richards, Jr., Vice President and Secretary, Robert M.
Diggs, Attorney, on behalf of the Applicant.

Thomas A. Kuhn, Production Geologist, David E. Weatherwax, Attorney, on
behalf of the Intervenor.

L. E. Wilkerson, Land Man, on behalf of the Shell Oil Company.

Robert E. Speer, on behalf of the Department of Interior, United States
Government.

APPEARANCES

Hugh B. Montgomery, Chief, Division of Minerals, on behalf of the Pennsylvania Department of Forests and Waters.

Paul S. Tremel, on behalf of The Manufacturers Light & Heat Company.

HISTORY OF THE CASE

1. May 22, 1963, an application for a Spacing and Integration Order for a portion of the Five Forks Gas Pool, Southampton, Monroe, and Mann Townships, Bedford County, Pennsylvania, was received in the Pittsburgh Office of the Oil and Gas Division, Department of Mines and Mineral Industries, signed by William H. Young, Vice President, Felmont Oil Corporation.
2. June 3, 1963, notification of a hearing pertinent to the request for a Spacing Order was published in the Bedford Gazette, a daily newspaper in Bedford, Bedford County, Pennsylvania, that a hearing would be held in the Hearing Room of the Public Utility Commission, Room 1212 State Office Building, Pittsburgh, Pennsylvania, June 20, 1963, at 10:00 A. M.
3. June 10, 1963, a second notice was published in the Bedford Gazette, again announcing the time and place of the Spacing Order hearing.
4. June 20, 1963, the hearing was held in Room 1212 of the Pittsburgh State Office Building.
5. July 1, 1963, the Oil and Gas Conservation Commission met for the purpose of considering the record of the hearing and the brief filed by the intervenor and reached a decision.

QUESTIONS AT ISSUE

1. Is a Spacing Order necessary under all the circumstances.
2. If a Spacing Order is necessary, what should be its limitations.

FINDINGS OF FACT

1. New York State Natural Gas Corporation had drilled a discovery well known as William C. Davis Estate No. 1.
2. This discovery well is located approximately six hundred and fifty (650) feet from the property line of the premises in which applicant holds a lease of one-fourth (1/4th) of the oil and gas rights.
3. The Commonwealth of Pennsylvania had granted these Oil and Gas rights to the applicant.
4. The remaining three-fourths (3/4ths) interest in the oil and gas in these tracts is owned by the United States of America. Shell Oil Company has an option to purchase these rights, secured from Jacob N. Wasserman and Merwin E. Liss, lessees of the interest of the United States of America.
5. These parties, the Commonwealth of Pennsylvania, the United States of America, and Shell Oil Company indicated no objection to a Spacing Order such as requested by the applicant.
6. The discovery well was, and is, draining part of the leased area.
7. Applicant is drilling a well on the leased premises.
8. Both the physical facts, and the pending Application for an Integration Order, indicate that property to the west of the proposed integration unit applied for, which property is under lease by applicant, provides a possible drilling site close to property under lease to New York State Natural Gas Corporation.
9. The voluntary unit set up by New York State Natural Gas Corporation for the William C. Davis Estate No. 1 Well similarly provides a possible drilling site close to the proposed integration unit.
10. The well being drilled on the proposed unit which is the subject of the request for integration, if found to be productive, will affect lands held by other operators in the area.
11. A Spacing Order is indicated, therefore, to prevent the inequitable draining of gas by one operator from the properties of another operator, and to prevent the drilling of unnecessary wells.

FINDINGS OF FACT

12. The testimony indicated that economic spacing requires a unit of not less than two hundred and fifty (250) contiguous acres.
13. The existing physical facts, topography, and general conditions of lease distribution indicate that no wells should be drilled closer than six hundred and fifty (650) feet from the nearest unit boundary line.
14. The existence of successful well spacing to the north in the Five Forks Pool is the result of having located wells no closer than twenty-five hundred (2500) feet from the nearest productive well.

CONCLUSIONS OF LAW

1. A Spacing Order was deemed to be necessary under all the circumstances.
2. Limitations are necessary and are stated in the Order which follows.

ORDER

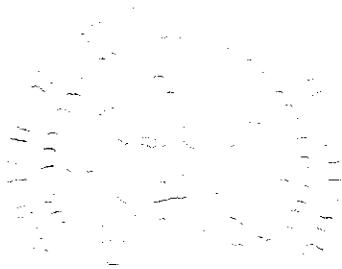
The proposal of the Felmont Oil Corporation pertinent to the Spacing Order is approved subject to the following:

1. Each well within the area designated under this Spacing Order shall be located on a drilling unit of not less than two hundred and fifty (250) contiguous acres.
2. No well within the area designated under this Spacing Order shall be drilled closer than six hundred and fifty (650) feet from the nearest unit boundary line.
3. Within the area designated under this Spacing Order wells shall not be located less than twenty-five hundred (2500) feet from other wells producing gas, or drilling for the production of gas, from the Oriskany Horizon.
4. The area included in and covered by this Spacing Order shall be the area containing twenty-six hundred and thirty (2630) acres described in the Application of

ORDER

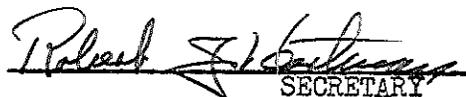
Felmont Oil Corporation and outlined in yellow on the map attached thereto, said map being hereby incorporated into, and made a part of, this Order, and being kept on file at the offices of the Oil and Gas Conservation Commission, Room 1205 State Office Building, Pittsburgh, Pennsylvania.

BY THE COMMISSION.



CHAIRMAN

DATED July 6, 1963


SECRETARY