

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) SPACING ORDER
MODIFICATION OF SPACING ORDER NO. 2,) MODIFICATION
COVERING A PORTION OF THE FIVE FORKS) DOCKET 2-A
GAS POOL, SOUTHAMPTON, MANN AND)
MONROE TOWNSHIPS, BEDFORD COUNTY,)
PENNSYLVANIA)

SUPPLEMENTAL ORDER
TO
SPACING ORDER 2-A

This Order is entered for the purpose of supplementing "SPACING ORDER 2-A", dated November 8, 1963, and does not revoke, alter or amend such Order.

SUPPLEMENTAL HISTORY

1. On November 22, 1963, New York State Natural Gas Corporation and The Manufacturers Light and Heat Company jointly filed a Petition for reconsideration of Spacing Order 2-A, dated November 8, 1963, stating that Spacing Order 2-A did not prescribe the terms and conditions upon which the royalty interests in units formed by such Spacing Order shall be deemed, in the absence of voluntary agreement, to be integrated without the necessity of a subsequent separate order, and requesting that the Commission reconsider Spacing Order 2-A for the purpose of bringing it into conformity with Section 8 (a) of the Oil and Gas Conservation Law to provide for integration of royalty interests.
2. Counsel for Petitioners, New York State Natural Gas Corporation and

The Manufacturers Light and Heat Company represented to the Commission that copies of their joint Petition, filed on November 22, 1963, had been sent to all parties of record in Spacing Order Modification Docket 2-A.

3. The Commission met thereafter and, having determined that no further notice was required by law and that no further evidence was required, made the conclusions of law and findings of fact hereinafter set forth based upon the evidence heretofore adduced and entered this Supplemental Order.

QUESTIONS AT ISSUE

1. Is it necessary to supplement Spacing Order 2-A as requested by the Petitioners?

CONCLUSION OF LAW

1. It is necessary to supplement Spacing Order 2-A pursuant to Section 8 (a) of the Oil and Gas Conservation Law.

FINDINGS OF FACT

1. No voluntary agreement for the integration of royalty interests presently exists with regard to the Unit Nos. 4, 5, 6, and 7, as established by the Commission in Spacing Order 2-A.

ORDER

Accordingly, the Commission does order that:

1. The royalty interests in the natural gas in each of the separately owned tracts of land, or parts thereof, in Units Nos. 4, 5, 6, and 7, as such Units are described in Spacing Order 2-A and the Map Exhibit thereto, are hereby deemed to be integrated by virtue of

Spacing Order 2-A into one Unit for each of said Units Nos. 4, 5, 6 and 7, on the terms and conditions hereinafter set forth.

2. Production of natural gas from any one of the separately owned tracts included within any one of the Units Nos. 4, 5, 6 and 7, shall constitute production of natural gas from every other tract included within the said Unit in which such production occurs under the terms of the leases or subleases affecting the tracts included in the respective Unit or Units.
3. All royalties accruing on all production of natural gas from the Oriskany Horizon within each of the said Units Nos. 4, 5, 6 and 7 shall be treated as an entirety for such unit and shall be divided among and paid to the separate owners thereof at the rate provided by the pertinent lease or sublease contracts in the proportion that the acreage (mineral rights subject to lease or sublease of each royalty owner in said Unit) bears to the total acreage in said unit.
4. The payment of said royalties that may be due on natural gas produced, when paid in the indicated proportions and pursuant to the terms of the lease or sublease agreement covering such part of the unit, shall be and constitute full compliance with the obligations to make such payments under contracts affecting the property included within said unit.
5. This Supplemental Order shall be effective as to the royalty interests as of the date of first production from any of such units 4, 5, 6, or 7, and shall supplement Spacing Order 2-A, and shall not revoke, alter, or amend such Order.

BY THE COMMISSION


Chairman

Dated January 23, 1964