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not entered
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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
SPACING ORDER IN THE ARTEMAS GAS
POOL, MANN AND MONROE TOWNSHIPS,
BEDFORD COUNTY, PENNSYLVANIA

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SPACING ORDER
DOCKET NO. 3

SUPPLEMENTAL ORDER
TO
SPACING ORDER NO. 3

This Order is entered for the purpose of supplementing "SPACING ORDER NO. 3", dated September 10, 1963, and does not revoke, alter or amend such Order.

SUPPLEMENTAL HISTORY

1. By letter dated December 31, 1963, Felmont Oil Corporation, through their Attorney, Robert M. Diggs, called the attention of the Commission to the fact that Spacing Order No. 3 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 suggested that the Commission might consider entering a supplemental order to Spacing Order No. 3, 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. 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.

QUESTION AT ISSUE

1. Is it necessary to supplement Spacing Order No. 3?

CONCLUSION OF LAW

1. It is necessary to supplement Spacing Order No. 3 pursuant to Section 8 (a) of the Oil and Gas Conservation Law.

FINDINGS OF FACT

1. The Commission is unaware of any voluntary agreement for the integration of royalty interests in any of the units 1 through 12, as established by the Commission in Spacing Order No. 3.

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. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, as such Units are described in Spacing Order No. 3 and the Map Exhibit thereto, are hereby deemed to be integrated by virtue of Spacing Order No. 3 into one Unit for each of said Units Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 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. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 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. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 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 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, and shall supplement Spacing Order No. 3, and shall not revoke, alter, or amend such Order.

BY THE COMMISSION

Chairman

Dated _____