CASE 5105: Appli. of STALLWORTH OIL & GAS FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY.

CASE No. 510(6)

Application,

Transcripts,

Small Ekhibts

G. - P.O. BOX 1092 - PHONE 243-0691 - ALBUQUERQUE, NEW MEXICO 87103 NATIONAL BANK BLOG. EAST - ALBUQUERQUE, NEW MEXICO 87108 BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

GIL CONSERVATION COMMISSION CONFERENCE ROOM

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

Wednesday, November 14, 1973

IN THE MATTER OF:

)

Application of Stallworth

Oil and Gas for an unorthodox) Case No. 5105

oil well location, Lea

BEFORE: RICHARD L. STAMETS
Examiner

County, New Mexico.

TRANSCRIPT OF EXAMINER HEARING

MR. STAMETS: The Hearing will come to order, please.

MR. DERRYBERRY: Case 5105, application of

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Stallworth Oil and Gas for an unorthodox oil well location, Lea County, New Mexico. MR. STAMETS: Call for appearances in Case 5105. MR. STEVENS: Mr. Examiner, Don Stevens. I'm an attorney in Santa Fe, representing the Applicant in this case. We have one witness to be sworn. MR. STAMETS: Any other appearances in this case? The witness stand and be sworn, please. CONRAD R. APPLEDORN, a witness, having been first duly sworn according to law; upon his oath testified as follows: DIRECT EXAMINATION BY MR. STEVENS: Would you state your name, your address, and your occupation? My name is Conrad R. Appledorn. I'm a Petroleum Α

Engineer, and I'm from Santa Fe.

accepted by it?

Are you representing the Applicant?

I'm representing the Applicant in this case.

Have you previously testified before the New Mexico

Oil Conservation Commission and had your qualifications

We will call next Case 5105.

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dearnley, meier & associati	JCO 87103 87108
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209 SIMMS BLI	1216 FIRS

_	PAGE 3
1	A I have.
2	MR. STEVENS: Are the witness' qualifications
3	acceptable?
4	MR. STAMETS: They are.
5	Q Briefly would you explain what the Applicant seeks
6	in this application?
	A The Applicant wishes to drill a well at an unorthodox
	location in Section 11 of Township 9 South, Range 33
`	East, Lea County, New Mexico.
Q	
A	The footage is 760 feet from the North line and 860
	feet from the West line of Section 11; and this is
	unorthodox in that field rules in the Vada-Penn Field
	require location within 150 feet of the center of a
	quarter-quarter section which
	quarter-quarter section which is a 660-foot location.
	Therefore, this location, the proposed location,
	is unorthodox to the extent that it is 50 feet in excess
0	of field rules from the West line.
Q	That is, it's 50 feet farther East than would ordinarily
	be permitted; is that correct?
A	Yes. That's right.
Ω	Well, first let's go into the structure, Exhibit Number 1,
	the structure map. Could you explain it for the
	Commission?
	;

Exhibit Number 1 is a structure map on the Bough "C"

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SIMMS BLOG. P.O. BOX 1092 PHONE 243-6601 PLBUQUERQUE, NEW MEXICO 87103 1216 FIRST NATIONAL BANK BLOG. EAST PALBUQUERQUE, NEW MEXICO 87108 producing horizon in the Pennsylvanian in the Northwest Vada area.

The location is shown by the arrow and is on the Southeast flank of a Northeasterly, trending Northeast.

- Q Excuse me. What's the significance of your yellow outline there?
- A The yellow outline is Stallworth acreage which shows that the subject location is bordered to the North and West by Stallworth-owned acreage.

Also, it shows the proposed acreage that will be dedicated to the well which is the Northwest quarter of Section 11.

- Q On the basis of this structure map, is there any advantage or disadvantage of the proposed location over a standard location to your knowledge?
- A None at all. Actually, there is no structural advantage to be gained within this 50-foot exception.
- Q Referring to what has been marked as Exhibit Number 2, would you explain it for the Commission?
 - Exhibit Number 2 is an Isopachus Map of the net porosity within the Bough "C" producing interval. The zone of inferred maximum porosity development is marked; and if you will refer to Exhibit 1 again, you can see that the zone of development seems to correspond roughly to this Northerly trending Northeast and anti-clinal development

BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103 1857 national bank blog. East • Albuquerque, New Mexico 87108

in the Bough "C".

We have no definite geologic advantage to this location being in the unorthodox location as against a standard location.

However, the location is being sited to take advantage of a drilling pad which was made for the Burleson & Huff State Number 1 drilling in 1961; and the Stallworth well has been located 100 feet East and South of the Burleson & Huff Well.

This places the well at roughly the Southeastern corner of the Burleson & Huff pad, allows use of the old pit area and a very minimum of new location development in this area.

- Does that also amount to a lesser amount of roads being built?
- A Well, the old road will be used. So there will be no new road built for this location. The only additional location work will be slight extending to the pad to the South and East to allow for laying down the derik and for pipe racks on the South side.
- Q What advantage do the Applicants gain from this use of this pad?
- A It's mainly topographic in that this is relatively flat area. It has a rather thick surface which in times of rain is, gets pretty bad, very deep, much rutting.

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SIMMS BLDG. P.O. BOX 1092 PHONE 243-6691+ ALBUQUERQUE, NEW MEXICO 87103	1216 FIRST NATIONAL BANK DEDG. EAST+AEBUQUERQUE, NEW MEXICO 87108

Therefore, any use that we can make of the old roads			
in the old pad area will reduce by a large degree			
additional damage to this range-land area which is			
susceptible to damage.			

- Q Does that also make the drilling of the well more economical for the Applicant?
- A It makes the drilling much more economical. It makes general operations much easier, and it also reduces damages from the pits which will take advantage of the old pit area.
 - Referring to your Exhibit Number 2, you stated this is an inferred maximum porosity development. On that basis, this location being farther East than the regular location, would that be going away from the inferred zone of maximum porosity development?
 - Well, the distance of 100 or 200 feet East of the old 660 standard location wouldn't be sufficient. This zone of maximum porosity development is merely inferred because of the three wells to the North which are producers and the Coastal State Well to the Southwest which has produced but now has been plugged. The Flying M Well in Section 15 is an Abo Well and is not in the Bough "C".
 - In any case, going this 50 feet East would in your opinion not gain you a greater amount of porosity

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Yes.

the normal elements of error in any type of geologic projection. The main advantage is the location of the old pad and the use that can be made of it, and therefore making the well more economical. Also, the fact that because of the acreage situation, correlative rights are not or will not be damaged: and, of course, the more economical location is quite desirable in this Bough "C" development which tends to be rather chancy. In your opinion, is the entire proration unit productive of oil and gas? In my opinion, yes, the entire proration unit would be productive. In your opinion, will granting of this application Q protect correlative rights and tend to prevent waste?

development than the regular location; would it?

I don't believe so. I think the location is within

.09 SIMMS BLDG. # P.O. BOX 1092 # PHONE 243-6691 * ALBUQUERQUE, LEW MEXICO 87103 1216 FIRST NATIONAL BANK BLDG. EAST * ALBUQUERQUE, NEW MEXICO 87108

O Were Exhibits 1 and 2 prepared by you?

20 A These Exhibits were prepared by me, yes.

MR. STEVENS: At this time we'd like to introduce into evidence Exhibits 1 and 2 of the Applicant's.

MR. STAMETS: They will be so-admitted.

MR. STEVENS: We have no further questions, Mr.

Examiner.

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MR. STAMETS: Are there any other questions of the witness? He may be excused. Anything further in this case? We will take the case under advisement.

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$\underline{\mathbf{C}} \ \underline{\mathbf{E}} \ \underline{\mathbf{R}} \ \underline{\mathbf{T}} \ \underline{\mathbf{I}} \ \underline{\mathbf{F}} \ \underline{\mathbf{I}} \ \underline{\mathbf{C}} \ \underline{\mathbf{A}} \ \underline{\mathbf{T}} \ \underline{\mathbf{E}}$

I, JANET RUSSELL, a Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

OURT REPORTER

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More m. 1 + 11 , 33 7.3.

More on a read 60 min 18 m.

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87581

November 20, 1973

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

	Re: Case No. 510	5	
Mr. Don Stevens ttorney at Law	Order No. R-467	5	
ost Office Box 1797	Applicant:		
anta Fe, New Mexico	Stallworth Oil an	d Gas	

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir		
Copy of order	also sent to:	
Hobbs OCC Artesia OCC	×	
Aztec OCC		
Other		

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 5105 Order No. R-4675

APPLICATION OF STALLWORTH OIL AND GAS FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1973; at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of November, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Stallworth Oil and Gas, seeks approval for an unorthodox oil well location for a well to be drilled at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East, NMPM, Vada-Pennsylvanian Pool, Lea County, New Mexico, as an exception to the provisions of Rule 4 of Order No. R-3179-A.
- (3) That the NW/4 of said Section II is to be dedicated to the well.
- (4) That the proposed non-standard location is sought in order to take advantage of an existing roadway and caliche pad previously constructed in connection with the drilling of a shallow well nearby.
- (5) That the applicant will not gain any significant structural or stratigraphic advantage as a result of the proposed unorthodox location.
- (6) That the applicant is the owner of all mineral interests directly offsetting the proposed unorthodox location.

-2-Case No. 5105 Order No. R-4675

(7) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Vada-Pennsylvanian pool, prevent economic waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Stallworth Oil and Gas, is hereby authorized to drill a well in an unorthodox location at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East, NMPM, Vada-Pennsylvanian Pool, Lea County, New Mexico.
- (2) That the NW/4 of said Section 11 shall be dedicated to the well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO Member

A. L. PORTER, Jr., Member & Secretary

SEAL

5105
Application For NSL
To pormit the use of existing roads and drilling pad.
Will Mot goin any Significant structural or stratigraphic advantage
Crowded offset acreege all 5tollworth 026
No offset operator objected
Lucution should be approved

Docket No. 32-73

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 14, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5044: (Continued from the October 3, 1973, Examiner Hearing)

In the matter of the hearing called by the Cil Conservation Commission on its own motion to permit Sycor Newton, Peru Milling Company, R. E. Deming and Aetna Life and Casualty Company and all other interested parties to appear and show cause why the State L 6350 Well No. 1 located in Unit M of Section 10, Township 23 South, Range 11 West, Luna County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5098: Application of R. J. Zonne for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Morrow gas pool for his Federal Well No. 1 located in Unit G of Section 20, Township 22 South, Range 32 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing.

CASE 4849: (Reopened)

In the matter of Case No. 4849 being reopened pursuant to the provisions of Order No. R-4436 which order established temporary special rules for the Humble City-Atoka Pool, Lea County, New Mexico, including a provision for 80-acre spacing. All interested parties may appear and show cause why said pool rules should remain in effect.

- CASE 5099: Application of Pennzoil Company for a pool creation, special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Wolfcamp gas pool for its Moore Com Well No. 1 located at an unorthodox Wolfcamp location 2310 feet from the South line and 660 feet from the East line of Section 23, Township 22 South, Range 26 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing.
- CASE 5100: Application of Estill Production Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 21, Township 18 South, Range 33 East, South Corbin-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5101: Application of Southern Union Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks approval for an unorthodox gas well location for its McKittrick-Federal Well No. 1 at a point 2390 feet from the North line and 830 feet from the East line of Section 14, Township 22 South, Range 24 East, Eddy County, New Mexico, the E/2 of said Section 14 to be dedicated to the well.

CASE 5102: Application of Anne Burnett Tandy dba Windfohr Oil Company for two waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects by the injection of water into the Grayburg and San Andres formations through 6 wells on its Jackson "B" Lease and through 3 wells on its Gissler "B" Lease, located in Sections 1 and 11, respectively, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

Application of David Fasken for an unorthodox gas well location, Eddy CASE 5103: County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location at a point 1000 feet from the North and West lines of Section 32, Township 20 South, Range 25 East, Indian Hills-Morrow Gas Pool, Eddy County, New Mexico.

> Application of El Paso Natural Gas Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Rocky Arroyo "C" Well No. 1 located in Unit F of Section 8, Township 22 South, Range 22 East, Rocky Arroyo Field, Eddy County, New Mexico, in such a manner as to produce gas from the Canyon formation and gas from the Morrow formation through the casing-tubing annulus and through the tubing, respectively.

Application of Stallworth Oil and Gas for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, as an exception to the provisions of Rule 4 of Order No. R-3179-A.

Application of Read & Stevens, Inc. for an unorthodox gas well location, CASE 5106: Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Harris Federal Well No. 2 at a point 990 feet from the North line and 2310 feet from the West line of Section 24, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, as an exception to Rule 2 of Order No. R-1670-H, the N/2 of said Section 24 to be dedicated to said well.

CASE 5104:

CASE 5105:

Examiner Hearing - Wednesday - November 14, 1973

Docket No. 32-73 -3-

Southeastern nomenclature case calling for the extension of certain pools in Les County, New Mexico. CASE 5107:

(a) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

(b) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 1: SE/4

(c) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM Section 1: SE/4
Section 12: NE/4

(d) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

(e) Extend the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

(f) Extend the flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM Section 7: SE/4 Section 8: SW/4

(g) Extend the West Garrett-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM Section 31: SE/4

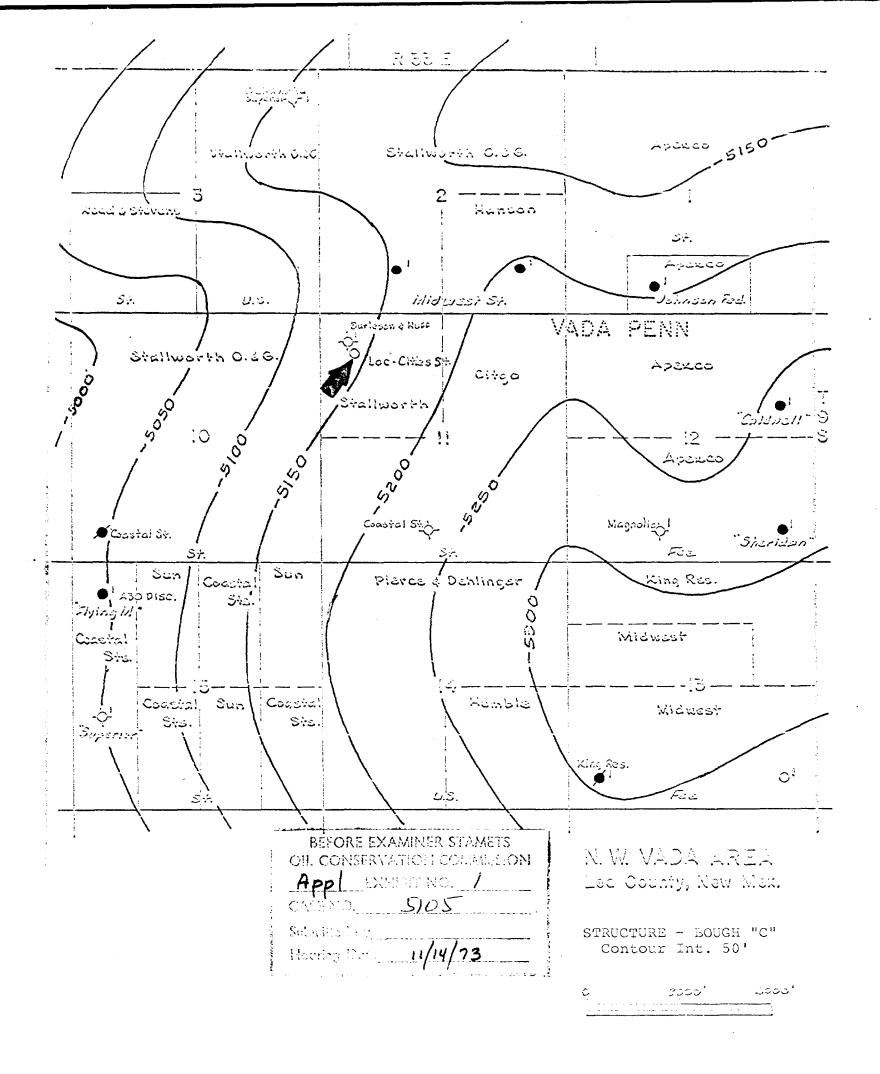
Examiner Hearing - Wednesday - November 14, 1973

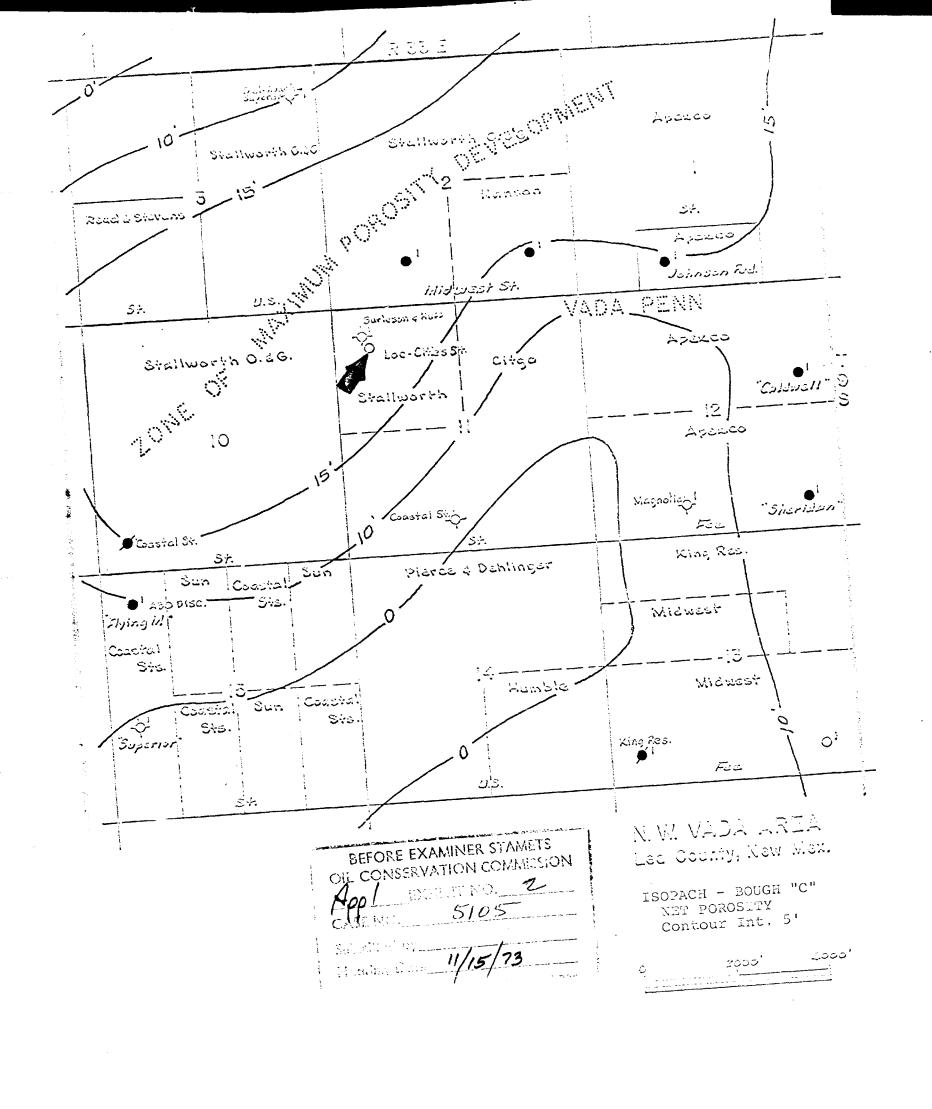
Docket No. 32-73

(h) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM Section 26: NW/4

CASE 5114: Application of Texaco Inc. and Perry R. Bass for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests underlying the W/2 of Section 32, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to the well currently being drilled by Amini 0il Company at an unorthodox location for said 320-acre unit at a point 990 feet from the South line and 1980 feet from the West line of said Section 32.





BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF STALLWORTH OIL AND GAS FOR AN ORDER APPROVING AN UNORTHODOX OIL WELL LOCATION, VADA PENNSYLVANIAN POOL, LEA COUNTY, NEW MEXICO

Case	No	2011
Cabe	110 .	

APPLICATION

Comes now Stallworth Oil and Gas and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an unorthodox oil well location to be located 760 feet from the North line and 860 feet from the West line of Section 11, Township 9 South, Range 33 East Lea County, New Mexico, as an exception to the provisions of Rule 4 of Order No. R-3179-A, as amended, and in support thereof would show the Commission:

- 1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in the Northwest ¼ of Section 11, above Township and Range.
- 2. Applicant seeks approval of an unorthodox oil well location as proposed herein in order to take advantage of an existing roadway and caliche pad used in the drilling of a shallow well nearby.
- 3. Approval of the application will result in a lesser destruction of grazing lands and decreased well costs. Approval would cause no waste, and correlative rights of the other owners in the area would not be affected.

THEREFORE applicant requests that this matter be set for hearing before the Commission, or before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving an unorthodox oil well location for Pennsylvanian production, as requested above.

Respectfully submitted

DONALD G. STEVENS

Attorney for Stallworth Oil and Gas

P.O. Box 1797

Santa Fe, New Mexico 87501

11-1-73

DRAFT

jr P

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 5105

Order No. R-4675

APPLICATION OF STALLWORTH OIL AND GAS FOR AN UNORTHODOX OIL WELL LOCATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 19 73 at Santa Fe, New Mexico, before Examiner and hours.

NOW, on this day of November, 1973 the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Stallworth Oil and Gas, seeks approval for an unorthodox oil well location for a well to be drilled at a point

 760 feet from the North line and 860 feet from the West line of Section 11,

 Township 9 South, Range 33 East, NMPM, Vada-Pennsylvanian Pool, Lea

 County, New Mexico, as an exception to the provisions of Rule 4 of Order

 No. R-3179-A.
 - (3) That the NE/4 of said Section 11 is to be dedicated to the well.

- (4) That the proposed non-standard location is sought in order to take advantage of an existing roadway and caliche pad previously constructed in connection with the drilling of a shallow well nearby.
- (5) That the applicant will not gain any significant structural or stratigraphic advantage as a result of the proposed unorthodox location.
- (6) That the applicant is the owner of all mineral interests directly offsetting the proposed unorthodox location.
- (7) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Vada-Pennsylvanian pool, will prevent economic and waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Stallworth Oil and Gas is hereby authorized to drill a well in an unorthodox location at a point 760 feet from the North line and 860 feet from the West line of Section 11, Township 9

 South, Range 33 East, NMPM, Vada-Pennsylvanian Pool, Lea County, New Mexico.
 - (2) That the NE/4 of said Section 11 shall be dedicated to the well.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.