

CASE 5259: Application of READ &
STEVENS FOR UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, N. M.

CASE No.

5259

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 19, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Read & Stevens, Inc.,
for an unorthodox gas well location,
Eddy County, New Mexico.

Case No.
5259

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Donald G. Stevens, Esq.
214 Old Santa Fe Trail
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
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MR. STAMETS: Call the next case, Case 5259.

MR. DERRYBERRY: Case 5259. Application of Read & Stevens, Inc., for an unorthodox gas well location, Eddy County, New Mexico.

MR. STEVENS: Mr. Examiner, I'm Don Stevens, Attorney in Santa Fe, representing the Applicant in this Case. We have one witness to be sworn and we have three exhibits.

MR. STAMETS: Are there any other appearances in this Case? The Witness will stand and be sworn.

(Witness sworn.)

EDDIE E. DAVID

called as a witness, having been first duly sworn, was examined and testified as follows:

MR. STEVENS: Mr. Examiner, I would like the Commission to take administrative notice of Case 5249, Order 4807, wherein the subject section we're concerned with here was placed in the Cemetery Morrow Gas Pool, and would like the Commission, if possible, to take notice of the evidence submitted at that Hearing.

MR. STAMETS: The Examiner will take note of the Case and Order.

DIRECT EXAMINATION

BY MR. STEVENS:

Q Would you state your name, your address, and your occupation?

A Eddie David, Roswell, New Mexico, Consulting Geologist.

Q What is your relationship with the Applicant in this Case?

A I'm a Consultant for Read & Stevens, Incorporated.

Q Have you testified before the New Mexico Oil Conservation Commission and had your qualifications by that Commission?

A Yes, I have.

MR. STEVENS: Will the Commission accept the Witness' qualifications?

MR. STAMETS: Yes.

BY MR. STEVENS:

Q Briefly, would you state what the Applicant seeks at this Hearing?

A The Applicant seeks an unorthodox gas well location for location at 660 from the south line and 900 from the east line, Section 30, Township 20 South, Range 25 East, Eddy County, New Mexico. This will be an exception

to the Pool Rules for the Cemetery Morrow Gas Pool , which states with our lease the rules in this Pool are that the well must be located 1980 from the end line and 660 from the side line of the proration unit, which is 320 acres.

Q In other words, your unorthodox portion of this location, instead of being 1980 feet from the east line you're 990 feet from the east line, is that correct?

A That is correct.

Q Referring to what has been marked as Applicant's Exhibit No. 1, would you explain it please?

A This is a land plat which shows the 320-acre proration unit in the south half of Section 30. It is outlined in red; the proposed location is shown with a red circle and it also shows the surrounding acreage and on the surrounding acreage, off-setting acreage, we find that Fasken has the off-setting acreage in Section 29 which is shown as Richardson. He also has the off-setting acreage in 32 and 31, and in the southwest and 36 the off-setting acreage is owned by Hanks and Phillips, and Section 25 to the west is owned by the Applicant, Read & Stevens as well as the north half of Section 30.

Q Northeast quarter, Northeast quarter, Section 30, is that owned by the Applicant or by Fasken?

A That would be by Fasken.

Q Referring to what has been marked as Exhibit No. 2, would you explain that please?

A This is a structure map of the Cemetery Morrow Gas Field and it has been contoured on top of the Morrow "A" Sand, which is the uppermost sand in this area, and a contour interval of 25 feet has been used and it shows a structural ridge running through this area which extends from Section 32 northward through 29 and Section 20 toward the northern portion of Cemetery Morrow Field.

Q Does this structure as shown here, in your opinion, control or affect the accumulation of gas in this field?

A It influences, however, it's not an absolute control. We find that gas is produced low on the flanks as well as high on the flanks in this area. I think an analogy could be drawn between this field and some of the other fields like South Carlsbad Field where you find the production both on structural highs and flanks.

Q Are there any other unorthodox locations in this field to your knowledge?

A Yes, the location of the southeast off-set to our acreage in Section 32, Fasken No. 1, State 31, is an

unorthodox location.

Q Is that well actually in Cemetery Morrow or in another field?

A I'm not quite sure where the boundary would be on that. It probably is in the Union Basin Field.

Q Referring to what has been marked as Exhibit No. 3, would you explain it, please?

A Exhibit 3 is a cross section through Cemetery Morrow Field. It is designated as A-A' as shown on the structure map. The well on the extreme left is designated Well A; this is Humble Hobbs. The cross section then continues to Section 30 to the Mobil Well, and down southward into Section 31, Fasken producer, and then northeast to Section 32, which is another Fasken producer, and then it terminates in Section 20 at Well A', another Fasken producer in the Morrow zone. The well on the left designated Well A Humble Hobbs like most of the wells in this area had gas in a particular well; on their completion attempts they showed up to upward of 1,000,000 cubic feet of gas; however after fracking they didn't bring the well around. The second well, the Mobil Well in Section 30, which off-sets our proration unit to the north, on the drill-stem test covering the "B" interval, it flowed gas

and recovered water; then on completion attempts they tried to complete high in the section, apparently to avoid some of the water that they got on the drill-stem test, and failed to come around on completion attempts. The other wells on the cross section I think demonstrate the three zones which are designated in here, starting the uppermost sand I have designated as "A," the middle interval which consists of one or more sands I have designated as "B," and the lower Morrow sand I have designated as "C." All three of these zones are capable of producing in this general area. On the Fasken Well in Section 31, that's a Cammaron 31 Federal, we find that on that one, for example, the Morrow sand in there, the "B" interval has a gross section upwards of the 100 feet, and as you can see, as you go to the next well, the well in 32, this particular sand begins to split up into two sands. As we go we take the two wells to the right of the cross section, Fasken Well 32 and Fasken Well in 20, each one of these wells had flowing tests from the "A," "B," and "C" sands. Also, you can compare the drill-stem tests through this area on any particular sand and you see the sands will sometimes vary in gas flows and there is apparent difference in thickness of sand, porosity and permeability.

Q Based on this information and the evidence presented here, do you have an opinion as to whether the entire proration unit at issue here is underlain by gas?

A Yes, I feel that the entire 320 acres is underlain by gas. Most of the dry holes in the area in fact have encountered some quantities of gas. I feel that the entire 320 acres would contain gas throughout this area.

Q These dry holes, is it common to get production on a drill-stem test and subsequently plug a Morrow well?

A Do you mean commercial quantities or just flowing gas period?

Q Yes.

A Yes, some of them can flow gas but yet they cannot claim them as a producer.

Q What then is the purpose, as shown by this evidence here, of your desire to move the location from 1980 from the east line to 990 from the east line?

A The reason being, we stated we feel that the entire section is gas bearing, however, based on the structure map of cross sections we find that the wells to the east and to the southeast, like Section 32, are extremely good sections, and for us to recover -- have a

maximum recovery of gas in Section 30 -- we feel that we need to be located at this unorthodox location.

Q If you drilled a well in the standard location do you consider that that well would drain the gas underlying the entire proration unit?

A No, I do not feel that it would; I feel that we need to be located at the unorthodox location to get our fair share of gas underlying the south half of Section 30.

Q In your opinion, would the granting of this Application tend to protect correlative rights by allowing the owners under this proration unit to recover their fair share of the gas?

A Yes, it would.

Q Were Exhibits 1, 2, and 3 prepared by you or under your direction?

A Yes, they were.

MR. STEVENS: I would like to move the introduction of these Exhibits at this time, Mr. Examiner.

MR. STAMETS: Exhibits 1, 2, and 3 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2, and 3 were admitted into evidence.)

MR. STEVENS: We have no further questions on

direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q There is one thing I would like to clarify. The cross section is Exhibit No. 3, is it not?

A Yes, it is. My copy was erroneously noted as No. 1.

Q Mr. David, looking at Exhibit No. 3, the center well there, the David Fasken Cammaron 31 Federal, has a very thick section Morrow sands in the "B" zone. Is this a channel sand, a bar, do you know what type of sand it is?

A My opinion, I feel it is a channel sand.

Q Looking then at the next well to the right on the Exhibit, the David Fasken Well in 32, the sand body is not quite so thick; you show a discontinuity in the center of it indicating what, that they did not get the full channel at that point?

A That's correct. There's a shaly section coming into the middle of that interval, dividing it up into an upper and lower sand.

Q Does this indicate to you the possibility that the well that you're proproposing, nonstandard location,

might pick up the good part of the channel?

A Well, I feel that it will pick up some channel sands, however, I don't feel that it would pick up a maximum sand development like the well in 31. I think it would tend to pick up a broken section with one or two sands perhaps.

Q You feel your location probably went further west than the center of the channel?

A Do I feel it is further west than the center?

Q Yes.

A Yes I do feel that it is further west than the center of the channel.

Q So if you would move even further west you would be moving away from the channel and your ability to drain the channel under your acreage would be diminished?

A That is correct.

MR. STAMETS: Are there any other questions of this Witness? If not he may be excused. Anything further to be offered in this Case? We will take the Case under advisement.

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye

RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5257 heard by me on 6-19, 1974.
Richard L. Nye

Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 25, 1974

Mr. Donald G. Stevens
Attorney at Law
Post Office Box 1797
Santa Fe, New Mexico

Re: CASE NO. 5259
ORDER NO. R-4813
Applicant:
Read & Stevens, Inc.

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
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. 5259
Order No. R-4813

APPLICATION OF READ & STEVENS, INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1974, 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, Read & Stevens, Inc., seeks approval
of an unorthodox gas well location 660 feet from the South line
and 990 feet from the East line of Section 30, Township 20 South,
Range 25 East, NMDM, to test the Morrow formation, Cemetary-
Morrow Gas Pool, Eddy County, New Mexico.
- (3) That the S/2 of said Section 30 is to be dedicated to
the well.
- (4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unor-
thodox location.
- (6) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable
share of the gas in the subject pool, will prevent the economic
loss caused by the drilling of unnecessary wells, avoid the
augmentation of risk arising from the drilling of an excessive
number of wells, and will otherwise prevent waste and protect
correlative rights.

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CASE NO. 5259
Order No. R-4813

IT IS THEREFORE ORDERED:

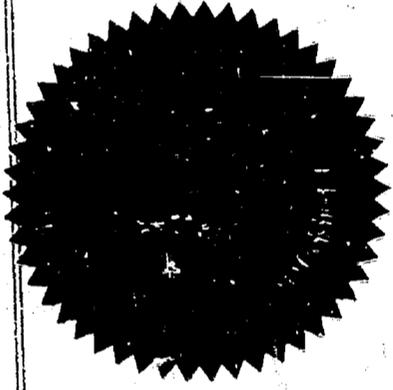
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 990 feet from the East line of Section 30, Township 20 South, Range 25 East, NMPM, Cemetary-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the S/2 of said Section 30 shall be dedicated to the above-described 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Y. R. Trujillo
Y. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/

Docket No. 17-74

Dockets Nos. 19-74 and 20-74 are tentatively set for hearing on July 16 and July 24. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 19, 1974

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

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

CASE 5256: Application of Monsanto Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to plug back its Arco Federal Well No. 2 located 990 feet from the North line and 2310 feet from the East line of Section 13, Township 21 South, Range 26 East, Burton Flats Field, Eddy County, New Mexico, to a depth of 931 1/2 feet and to set a whipstock and directionally drill said well in such a manner as to bottom it in the Morrow formation within a 50-foot radius of a point 660 feet from the North line and 1980 feet from the East line of said Section 13.

CASE 5257: Application of Mobil Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 12 Com Well No. 1 to be drilled to the Morrow formation at a point 1300 feet from the South line and 660 feet from the East line of Section 12, Township 21 South, Range 26 East, Eddy County, New Mexico, the E/2 of said Section 12 to be dedicated to the well.

CASE 5258: Application of Texas Pacific Oil Company for two waterflood projects and downhole commingling or dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" Act. 1 Well No. 42 located in Unit A of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, for the purpose of injecting water into the Upper Seven-Rivers formation of the Jalmat Pool and the Lower Seven-Rivers formation of the Langlie-Mattix Pool for the purpose of secondary recovery. Applicant further seeks approval for the downhole commingling in the wellbore of Jalmat and Langlie-Mattix production in the off-setting wells Nos. 44, 45, and 87, located in Units B, H, and G, respectively, of said Section 4; in the alternative applicant seeks approval for the dual completion of the aforesaid three wells to produce oil from said pools through parallel strings of tubing.

CASE 3608: (Reopened)

In the matter of Case No. 3608 being reopened pursuant to the provisions of Order No. R-3282, which order established temporary rules for the Carlsbad Permo-Penn Gas Pool, Eddy County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

- CASE 5259: Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well proposed to be drilled 660 feet from the South line and 990 feet from the East line of Section 30, Township 20 South, Range 25 East, Eddy County, New Mexico, in exception to the pool rules for the Indian Basin-Morrow Gas Pool or the Cemetary-Morrow Gas Pool, whichever is applicable.
- CASE 5260: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company and all other interested parties to appear and show cause why Order No. DC-1026; which authorized dual completion in the Blanco-Mesaverde and Basin-Dakota Pools, should not be rescinded and the Hammond Well No. 47 located in Unit K, Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico, be recompleted as a single zone well.
- CASE 5261: Application of Amerada Hess Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the openhole interval from 11,160 feet to 11,230 feet of its H. C. Posey "A" Well No. 1 located in Unit O of Section 11, Township 12 South, Range 32 East, East Caprock-Devonian Pool, Lea County, New Mexico.
- CASE 5262: Application of Petro-Lewis Corporation for pool contraction, creation, and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Media-Entrada Oil Pool by the deletion of the NW/4 of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, and the creation of a new pool for Entrada production comprising said lands. Applicant further seeks the promulgation of special rules for said pool, including a provision for 160-acre proration units and the establishment of a special depth bracket allowable for said pool of up to 750 barrels per day.
- CASE 5263: Application of Reading & Bates Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well proposed to be drilled at a point 660 feet from the South and West lines of Section 8, Township 18 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 8 to be dedicated to the well.
- CASE 5251: (Continued from the June 5, 1974, Examiner Hearing)
Application of Pierce & Dehlinger for the Amendment of Order No. R-4560, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4560 to provide for an extension of time in which to comply with the schedule set forth in said order for the drilling and completion of the third well covered by said order, to be located in the NE/4 of Section 24, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 Appl. EXHIBIT NO. _____
 CASE NO. 5259
 Submitted by Appl. _____
 Hearing Date _____

June 19th

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

Case 5259

APPLICATION OF READ & STEVENS, INC.
FOR AN ORDER APPROVING AN UNORTHODOX
GAS WELL LOCATION, INDIAN BASIN
MORROW GAS POOL OR CEMETARY MORROW
GAS POOL, EDDY, COUNTY, NEW MEXICO

Case No. 5249

APPLICATION

Comes now Read & Stevens, Inc. and applies to the Oil Conservation Commission of the State of New Mexico for the approval of an order authorizing an unorthodox gas well location as yet unnamed, to be located 660 feet from the South line and 990 feet from the East line of Section 30, Township 20 South, Range 25 East, Eddy County, New Mexico, as an exception to the provisions of Rule 2 of Order No. R-1670-H, 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 South 1/2 of Section 30, above Township and Range, and in all of Section 30, above Township and Range.
2. Said South 1/2 of Section 30 is presently located in the Indian Basin Morrow Gas Pool but Applicant has applied to this Commission to delete said Section 30 from the provisions of Order R-2441 setting up the Indian Basin Morrow Gas Pool and to place said Section 30 in the Cemetary Morrow Gas Pool, with provisions for 320 proration units.
3. Regardless of whether said well remains in the Indian Basin Morrow Gas Pool or is placed in the Cemetary Morrow Gas Pool, Applicant seeks this unorthodox location.

DONALD G. STEVENS ATTORNEY AT LAW

P. O. BOX 1787, 101 W. MARCY

SANTA FE, NEW MEXICO 87501

(505) 832-8883

DOCKET MAILED

Date 5259

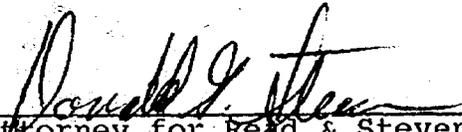
4. Unless applicant is granted approval of an unorthodox gas well location as proposed herein, it will be denied its right to obtain its just and equitable share of the gas underlying its lands.

5. Approval of the application will result in the recovery of gas that probably would not otherwise be recovered, will prevent waste, and correlative rights of the other owners in the area will be protected.

THEREFORE applicant requests that this matter be set for hearing before the Commission, or before the Commission's duly appointed examiner on Wednesday, June 5, 1974, and that after hearing and notice as provided by law that the Commission enter an order approving an unorthodox gas well location for Pennsylvanian production, as requested above.

Respectfully submitted,

DONALD G. STEVENS


Attorney for Read & Stevens, Inc.
P. O. Box 1797
Santa Fe, New Mexico 87501

DONALD G. STEVENS · ATTORNEY AT LAW

P. O. Box 1797, 101 W. MARCY

SANTA FE, NEW MEXICO 87501

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DRAFT

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. 5259

Order No. R-4813

APPLICATION OF READ & STEVENS, INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of June, 1974, 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, Read & Stevens, Inc., seeks approval
of an unorthodox gas well location 660 feet from the South line and
990 feet from the East line of Section 30, Township 20 South, Range
25 East, NMPM, to test the Morrow formation, ~~as an exception to the~~

Cemetery - Morrow Gas Pool, Eddy County, New Mexico.

-2-

CASE NO. 5259
Order No. R-

(3) That the 3/2 of said Section 30 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 990 feet from the East line of Section 30, Township 20 South, Range 25 East, NMPM, ~~as an exception to the pool rules for the~~ Cemetery - Morrow Gas Pool, Eddy County, New Mexico.

(2) That the 3/2 of said Section 30 shall be dedicated to the above-described 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.