

CASE 5265: Application of DAVID
FASKEN FOR AN UNORTHODOX LOCATION
AND A NON-STANDARD PRORATION UNIT

CASE No.

5265

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 10, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of David Fasken for)
an unorthodox location and a)
non-standard proration unit,)
Eddy County, New Mexico.)
)
)
-----)

CASE 5265

BEFORE: Daniel S. Nutter, 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 Building
Santa Fe, New Mexico

For the Applicant:

Sumner Buell, Esq.
MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL
350 East Palace Avenue
Santa Fe, New Mexico

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I N D E X

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JAMES B. HENRY

Direct Examination by Mr. Buell

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Cross Examination by Mr. Nutter

8

E X H I B I T S

Marked

Admitted

Applicant's Exhibit No. 1

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8

Applicant's Exhibit No. 2

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HENRY-DIRECT

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MR. NUTTER: We will call the next case, Number 5265.

MR. DERRYBERRY: Case 5265, application of David Fasken for an unorthodox location and a non-standard proration unit, Eddy County, New Mexico.

MR. BUELL: Mr. Examiner, I am Sumner Buell of Montgomery, Federici, Andrews, Hannahs and Buell appearing on behalf of the Applicant. We have one witness, Mr. Henry.

MR. NUTTER: Are there any other appearances in this case?

(Whereupon, the witness was duly sworn.)

JAMES B. HENRY

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

DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your name, please, by whom you are employed and what capacity and where?

A James B. Henry, I am a consulting engineer with Henry Engineering in Midland. I represent David Fasken.

Q Mr. Henry, have you previously testified before this Commission and had your qualifications as an expert accepted?

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A Yes, I have.

Q Are you familiar with what the Applicant seeks in Case 5265?

A Yes, I am.

Q Briefly, what is that?

A What he seeks is an unorthodox location or the well in Section 1 of Township 21 South, Range 26 East, and we also seek a non-standard proration unit occasioned by some small lots in the north end of this over-sized Section on the north line of the Township.

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

A Exhibit No. 1 is a contour map of the top of the Morrow clastics interval. Marked on here in yellow circles are the producing gas wells in the area of interest. The ones on the extreme right-hand side in the first tier of sections being in the Burton Flats Field. Those on the west, the extreme southwest corner of the map being the wells in the Catclaw Draw Field. In the center of the map in Section 3 there is a 320-acre unit that would be the Avalon Morrow, an Avalon-Strawn Field. The red-circled wells represent dry holes in the area, and the green-circled represent locations

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that have been filed or active drilling wells.

Q Does the plat also reflect the proposed non-standard unit and unorthodox locations?

A Yes, sir. The north 8 lots in Section 1 of Township 21 - 26 show the proposed proration unit which contains 281.3 acres, being less than the required 320 and aligned in an east-west direction. The orange circle represents the proposed location which is 1664 feet from the north line and 660 feet from the east line of Section 1.

Q In your opinion, why is the proposed unorthodox location justified and feasible?

A The unorthodox location is necessary to align the well as nearly as possible with the producing trends in the area. There seems to be a series of north-south trending productive sands in this area, and also a paralleling, alternating series of dry holes through the area which would indicate a north-south alignment to both the dry holes and to the producing wells. The nearest alignment of producing trends follows the well in Section 7 of 21 - 27 in the south half that has currently been completed, and the Mobil Federal State No. 1 in Section 6 of Township 21 - 27. It was our desire to move as far easterly as possible on this tract in order to align ourselves as closely as possible to that

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producing trend. You will notice to the west of the proposed unit through Section 15 and 2 of 21 - 26, and Section 34 of 20 - 27 that there is a pronounced alignment of dry holes.

Q Mr. Henry, as I understand it, if this proration unit was turned north and south this would be a standard location?

A Right. This blue-shaded acreage is a working-interest unit known as the Avalon Working Interest Unit of which my client, David Fasken, is the operator. The thing could be turned north-south and it would be an orthodox location insofar as the survey would permit; the shortage in the north would force it to be 1664 from the north line, but we would like to maintain the east-west alignment in order that we might have side-track possibilities to the west in the event there is another producing sand or in the event this one is not absolutely controlled in a north-south direction.

Q Referring you now to what has been marked for identification as Exhibit No. 2, would you briefly explain what this shows?

A On the bottom part of the log I have color coded the Morrow interval. At the red line, at 10,900 feet is

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the top of the Morrow clastics and represents the datum that is contoured on Exhibit 1. The blue line is the base of the "A" zone or upper Morrow. The upper green line at 11,097 feet is the top of the middle Morrow shale or base of the "B" zone, or middle Morrow. The lower green line at 11,170 represents the top of the "C" zone, or the lower Morrow. The red line at 11,322 represents the top of the Barnett Shale. The orange and yellow-shaded portions of the map, or the log, excuse me, represent the sands that are found in the Morrow zone. Most of these sands are below the 7 percent cutoff that we would normally assign to the productive limits of Morrow sand. There is one notable exception, being the 6-foot sand from 11,210 to 11,216 which represents the best pay development in the well. This is a Mobil well and they perforated additional zones and fraced it and naturally the well produced about a million feet a day since fracturing, and as of July 9th, the well produced 29 barrels of load water in 24 hours, a flowing tubing pressure of 1,050 psig on a 32/64th choke, with gas at the rate of 3250 MCF per day. They have not run the absolute open flow on it yet; the well is still in the process of being completed. We think that the well is very near a productive sand trend, although most of the sands are

HENRY-DIRECT
--CROSS

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poorly developed here.

Q In your opinion would the granting of the application prevent waste and protect correlative rights?

A Yes, it would.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes, they were.

MR. BUELL: I move the introduction of Exhibits 1 and 2.

MR. NUTTER: Applicant's Exhibits 1 and 2 will be admitted in evidence.

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

MR. BUELL: I have nothing further.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Henry, with respect to this green circle in Section 12 south of your proposed location, has the Commission already approved that unorthodox location for Mobil, do you know?

A It was my opinion that they had.

Q Have they started drilling the well yet?

A No.

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HENRY-CROSS

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Q Now, coming farther south into Section 13, I note this dry hole in the north half; has Monsanto actually plugged this well yet?

A That's my understanding in conversation with Monsanto that it had been abandoned.

Q It is an abandoned well then?

A The well was side tracked, I believe, and then abandoned.

Q And the directional drilling didn't pay off either?

A Right.

Q The non-standard proration unit to be dedicated to your proposed well would contain 281.3 acres, is this correct?

A That is correct. That would be lots 1 through 8 inclusive, of Section 1, Township 21 - 26.

Q Then you do understand that in the event the well was taken into a prorated gas pool, the acreage factor for proration purposes would be the number determined by a fraction, the numerator which would be 281.3 and the denominator which would be 320?

A Yes, we understand.

MR. NUTTER: Are there any further questions of

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Mr. Henry? He may be excused.

Do you have anything further, Mr. Buell?


MR. BUELL: No, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish
to offer in Case 5265?

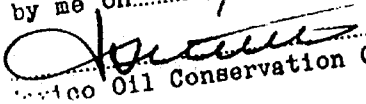
We will take the case under advisement.

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

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, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5265 heard by me on 2/10, 1974.

, Examiner
New Mexico Oil Conservation Commission

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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

July 30, 1974

Re: CASE NO. (5265) and 5266

ORDER NO. R-4828 & R-4829

Mr. Sumner Buell
Montgomery, Federici
& Buell
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Applicant:

DAVID FASKEN

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>x</u>
Artesia OCC	<u>x</u>
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. 5265
Order No. R-4828

APPLICATION OF DAVID FASKEN FOR
AN UNORTHODOX LOCATION AND A NON-
STANDARD SPACING UNIT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of July, 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, David Fasken, seeks approval of
an unorthodox gas well location to be located 1664 feet from
the North line and 660 feet from the East line of Section 1,
Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico,
to test the Morrow formation.

(3) That the applicant further seeks to dedicate the
above-described well to a 281.3-acre non-standard gas spacing
unit comprising all of Lots 1 through 8 of said Section 1.

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

(5) That the entire proposed non-standard spacing unit
may reasonably be presumed productive of gas from the Morrow
formation and the entire proposed non-standard spacing unit may
be efficiently and economically drained by one well.

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

(7) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable

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Case No. 5265
Order No. R-4828

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:

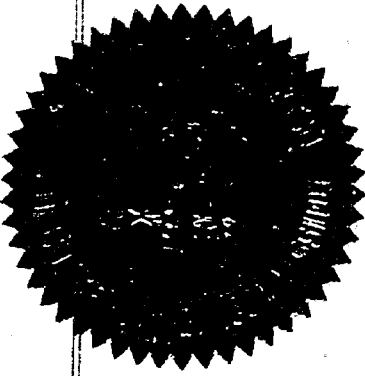
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located 1664 feet from the North line and 660 feet from the East line of Section 1, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the above-described well shall be dedicated to a 281.3-acre non-standard gas proration unit comprising all of Lots 1 through 8 of said Section 1.

(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
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

Docket No. 19-74

Dockets Nos. 21-74 and 22-74 are tentatively set for hearing on July 24 and August 7. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 10, 1974

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for August, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1974.

CASE 3608: (Reopened) (Continued from the June 19th Examiner Hearing)

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 5265: Application of David Fasken for an unorthodox location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled to the Morrow formation at a point 1064 feet from the North line and 660 feet from the East line of Section 1, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks approval for a 281.3-acre non-standard proration unit for said well comprising all of Lots 1 through 8 of said Section 1.

CASE 5266: Application of David Fasken for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well to be drilled to the Morrow formation at a point 1300 feet from the South and West lines of Section 29, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

CASE 5267: Application of Mark Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location 990 feet from the South and East lines of said Section 1. Also to be considered will

(Case 5267 continued from Page 1)

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 5268: Application of Anadarko Production Company, General American Oil Company of Texas and Shenandoah Oil Corporation for four waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute four cooperative waterflood projects by the injection of water into the Grayburg-San Andres formation in Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico as follows:

Project No. 1: Anadarko's Loco Hills "A" Federal lease by the conversion of four wells in Sections 10 and 15 to water injection;

Project No. 2: Anadarko's Loco Hills "B" Federal lease by the conversion of three wells in Section 9;

Project No. 3: General American Parke "F" lease by the conversion of one well in Section 10;

Project No. 4: Shenandoah's Parke "B" lease by the conversion of two wells in Section 15.

CASE 5269: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1280 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 5270: Application of Texaco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 33, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to applicant's White City Com. Well No. 1 in Unit F of said Section 33.

CASE 5271: Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 13, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit F of said Section 13. 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 5272: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Consolidated Oil and Gas, Inc., United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Consolidated Oil and Gas, Inc., Price Well No. 1 located in Unit N, Section 15, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be recompleted as a single-zone well or be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5273: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Eastern Petroleum Corporation, United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the following wells should not be abandoned in accordance with a Commission-approved plugging program:

Castillo #1 located in Unit P, Section 35, Township 20 North, Range 7 West, McKinley County, New Mexico;

Chopup #1 located in Unit N, Section 30, Township 19 North, Range 6 West, McKinley County, New Mexico;

Chacra Mesa #1 located in Unit B, Section 14, Township 19 North, Range 7 West, McKinley County, New Mexico;

Blackjack #1 located in Unit P, Section 12, Township 21 North, Range 9 West, San Juan County, New Mexico;

Pornada #1 located in Unit H, Section 27, Township 18 North, Range 7 West, McKinley County, New Mexico.

CASE 4749: (Reopened)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338-A, which order continued special rules for the Humble City-Strawn Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing.

CASE 4946: (Reopened)

In the matter of Case No. 4946 being reopened pursuant to the provisions of Order No. R-4581, which order established temporary rules for the Crosby-Fusselman Associated Pool, Lea County, New Mexico. All interested parties may appear and show cause why said rules should not be rescinded.

CASE 5110: (Continued from January 16, 1974)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in

(Case 5110 continued from Page 3)

the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool. NOTE: This case will be continued to the first Examiner Hearing in January, 1975.

CASE 5274: Southeastern nomenclature case calling for the creation, abolishment, and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Black River-Wolfcamp Gas Pool. The discovery well is Amoco Production Company Herren Federal Gas Com Well No. 1 located in Unit K of Section 7, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 7: SW/4

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Cooper-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Cooper Federal Well No. 1 located in Unit F of Section 21, Township 24 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 21: N/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Malaga-Morrow Gas Pool. The discovery well is Phillips Petroleum Company Malaga A Well No. 1 located in Unit L of Section 2, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 2: W/2

(d) Abolish the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: All
Section 31: All

(Case 5274 continued from Page 4)

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 1: NE/4

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 6: NW/4

(e) Create a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production with a provision for 160-acre spacing units and designated as the Bell Lake-Atoka Gas Pool. The discovery well is the Continental Oil Company Bell Lake Unit Well No. 2 located in Unit N of Section 30, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 30: SW/4

(f) Create a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the South Bell Lake-Atoka Gas Pool. The discovery well is the Continental Oil Company Bell Lake Unit 1 Well No. 4 located in Unit F of Section 6, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 6: W/2

(g) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production with a provision for 160-acre spacing units and designated as the South Bell Lake-Morrow Gas Pool. The discovery well is the Continental Oil Company Bell Lake State 3 Well No. 5 located in Unit G of Section 1, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 31: SW/4

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 1: NE/4

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

Section 6: NE/4

- (i) Extend the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 12: SW/4

- (j) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 27: N/2

- (k) Extend the Cabin Lake-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 11: W/2 NE/4

- (l) Extend the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 8: All

- (m) Extend the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 17: N/2

- (n) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: W/2 SW/4
Section 28: SW/4
Section 29: S/2

- (o) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: E/2
Section 11: W/2

- (p) Extend the Loco Hills Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 23: NE/4 NE/4

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(q) Extend the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 18: N/2

(r) Extend the Rocky Arroyo-Canyon Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 4: S/2
Section 5: S/2

(s) Extend the Townsend-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 9: N/2 and SE/4

(t) Extend the Twin Lakes-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 36: SW/4 SE/4

(u) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 16: SE/4

(v) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 11: NW/4

BEFORE THE
NEW MEXICO STATE OIL CONSERVATION COMMISSION

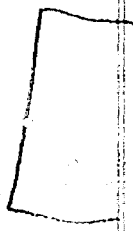
APPLICATION OF DAVID FASKEN FOR
A NONSTANDARD LOCATION AND NON-
STANDARD UNIT, Section 1, Township
21 South, Range 26 East, N.M.P.M.
EDDY COUNTY, NEW MEXICO.

Case No. 5265

APPLICATION

Comes now David Fasken by his attorneys, Montgomery,
Federici, Andrews, Hannahs & Buell and applies to the New Mexico
State Oil Conservation Commission for an Order permitting the
drilling of a nonstandard location in Eddy County, New Mexico
and in support of that, states:

1. Applicant applies to this Commission for an Order
permitting it to drill a Morrow well in a yet undesignated field
in Section 1, Township 21 South, Range 26 East, N.M.P.M., Eddy
County, New Mexico.

*Distance from
Section Lines*

north 2. The proposed well will be located 660 feet from the
~~south~~ line and 660 feet from the east line, ¹⁶⁶⁴~~lot 8~~, Section 1,
Township 21 South, Range 26 East.

3. Applicant also asks that a nonstandard unit consist-
ing of 281.3 acres be dedicated to this well to consist of lots
1 through 8 inclusive of said Section 1, Township 21 South,
Range 26 East, N.M.P.M.

4. The granting of this application will protect corre-
lative rights and prevent waste.

5. Offset operators that might be interested are Mobil
Oil Corporation, Atlantic Richfield Company and Inexco Oil
Company.

EXXON WORLD
Date 6-21-11

6. Applicant asks that this matter be set for the next regularly scheduled hearing before one of the Commissioner's duly designated examiners.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL

By *Sum Buell*
Post Office Box 2307
Santa Fe, New Mexico 87501

DRAFT

jr/

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. 5265

Order No. R-4828

APPLICATION OF DAVID FASKEN FOR
AN UNORTHODOX LOCATION AND A NON-
STANDARD SPACING UNIT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 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, David Fasken, seeks approval of an
unorthodox gas well location to be located 1664 feet from the
North line and 660 feet from the East line of Section 1, Town-
ship 21 South, Range 26 East, NMPM, Eddy County, New Mexico,
to test the Morrow formation.
Eddy County, New Mexico.

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CASE NO. 5265
Order No. R-

(3) That the applicant further seeks to dedicate the above-described well to a 281.3-acre non-standard gas spacing unit comprising all of Lots 1 through 8 of said Section 1.

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

(5) That the entire proposed non-standard spacing unit may reasonably be presumed productive of gas from the Morrow formation and the entire proposed non-standard spacing unit may be efficiently and economically drained by one well.

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

(7) That approval of the subject application will afford the applicant the opportunity to produce ~~its~~^{his} 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 1664 feet from the North line and 660 feet from the East line of Section 1, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the above-described well shall be dedicated to a 281.3-acre non-standard gas proration unit comprising all of Lots 1 through 8 of said Section 1.

(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.