

CASE NO. 5444: C & K PET. INC.  
FOR POOL CREATION AND SPECIAL  
POOL RULES, EDDY COUNTY, NEW  
MEXICO

These rules were in effect  
made permanent  
by Order No. R-5113  
which adopted 320 code  
for walking  
for water

CASE No.

5444

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
19 March 1975

EXAMINER HEARING

IN THE MATTER OF:

Case 5444. Application of C&K  
Petroleum, Inc., for pool creation  
and special pool rules, Eddy County  
New Mexico. Applicant in the above  
styled cause, seeks the establish-  
ment of a new gas pool for production  
from the Wolfcamp formation for its  
Harold Olive Com No. 1 Well, located  
in Unit O of Section 14, Township 22  
South, Range 26 East, Eddy County,  
New Mexico, and the promulgation of  
temporary special rules therefor, in-  
cluding a provision for 320-acre  
spacing units.

and

Case 5445: Application of C&K Petro-  
leum, Inc., for compulsory pooling,  
Eddy County, New Mexico. Applicant  
in the above styled cause, seeks an  
order pooling all mineral interests  
in the Wolfcamp formation underlying  
the S/2 or, in the alternative, the  
SE/4 of Section 14, Township 22 South  
Range 26 East, Eddy County, New Mexico,  
to be dedicated to its Harold Olive  
Com Well No. 1, located at an ortho-  
dox location in the SE/4 of said Section  
14. Also to be considered will be the  
cost of drilling and completing said  
well and the allocation of such costs,

CASE # 5444

CASE #5445

Continued

as well as actual operation costs )  
and charges for supervision. Also )  
to be considered is the designation )  
of the applicant as operator of the )  
well and a charge for the risk in- )  
volved in drilling said well. )  
----- )

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil                      William H. Carr, Esq.  
Conservation Commission:                  Legal Counsel for the Com-  
   mission  
   State Land Office Building  
   Santa Fe, New Mexico 87501

For C&K Petroleum, Inc.:                  Tom Kellahin, Esq.  
   KELLAHIN & FOX  
   500 Don Gaspar  
   Santa Fe, New Mexico 87501

I N D E X

Testimony of John L. Moseley

Direct Examination by Mr. Kellahin

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Questions by Mr. Nutter

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E X H I B I T S

C & K Exhibits 1 through 8

14

MR. NUTTER: Case 5444.

MR. CARR: Application of C & K Petroleum, Inc., for pool creation and special pool rules, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin of Kellahin and Fox, appearing on behalf of C & K Petroleum, Inc.; for purposes of our testimony this morning we would like to consolidate 5444 with Case 5445.

MR. NUTTER: At this time we'll call Case 5445.

MR. CARR: Case 5445. Application of C & K Petroleum Inc., for compulsory pooling, Eddy County, New Mexico.

MR. NUTTER: For purposes of testimony 5444 and 5445 are to be consolidated. Please proceed.

MR. KELLAHIN: I have one witness to be sworn.

(Witness sworn.)

JOHN L. MOSELEY

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

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

A John L. Moseley, C & K Petroleum in Midland,

Texas, and I'm a petroleum engineer.

Q Mr. Moseley, have you previously testified before this Commission and had your qualifications as a petroleum engineer admitted and made a matter of record?

A Yes, I have.

Q And are you familiar with the facts surrounding this application by C & K?

A Yes, I am.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. Kellahin) Mr. Moseley, would you please refer to what's been marked as Applicant C & K's Exhibit Number 1, identify it, and state briefly what C & K is seeking?

A Our Exhibit Number 1 is a plat of the area south of Carlsbad area in which we have shown here the south half of Section 14, in which we propose to force pool 320 acres and establish temporary field rules for the Canyon completion shown here as the Number 2 well on the cross-section. We also have here a trace of the cross-section which we will show as Exhibit 2, which begins with the Read and Stevens Well, Hackberry Hills Unit, and then

proceeds to the Harold Olive Well, down through the Pennzoil Moore Well, and over to the two wells completed to the east in the Morrow formation.

Q Please refer to what has been marked as Exhibit Number 2 and identify that.

MR. NUTTER: Before you proceed any further, you mentioned that the cross-section shows the Canyon completion, and the case is advertised for a well in the Wolfcamp formation.

A Yes, sir. That's correct; it should be Canyon; as we had it correlated, it would -- should be a Canyon completion.

Q So it's Pennsylvanian and not Permian?

A That's correct.

MR. NUTTER: Well, if it's Pennsylvanian it's automatically covered by the State-wide rules for 320.

A Yes, sir.

MR. NUTTER: And if it's Wolfcamp, then it's automatically under the State-wide rules for 160, so --

A We consider this to be a Canyon completion.

MR. NUTTER: How did you get Wolfcamp in here originally?

MR. KELLAHIN: Perhaps that's a mistake on my part,



Mr. Examiner, we ought to check the application and see how it reads.

MR. NUTTER: Maybe it's a mistake on ours; I don't know. We've got an application for a Wolfcamp and special rules for it. I think if it's pretty well established -- now this has been submitted to the District Office of the Commission as a Canyon completion?

A No, sir, I do not believe it has. I may be wrong on that.

MR. NUTTER: Now, this multi-point test that's going to be submitted as Exhibit 4 says it's a Wolfcamp well.

A That's right. That's right, there was some confusion as to the stratigraphic zone in which the well was to be completed. This well was originally drilled by Gulf Oil Corporation and it was taken over by C & K as operators subsequent to the completion. Consequently, this may be where the confusion arose.

MR. NUTTER: Well, I know sometimes there's some doubt as to where the bottom of the Permian is or the lower Wolfcamp and the top of the Pennsylvanian, but is it clearly recognized now by the concerned geologist as a Wolfcamp well or that it's a Pennsylvanian well?

A We show the top of the Pennsylvanian on this

cross-section to be the Cisco interval.

MR. NUTTER: Have you checked with the Commission geologist on this?

A No, we haven't, not that I'm aware of.

MR. NUTTER: Off the record.

(There followed a discussion off the record.)

MR. NUTTER: I think at this point we'll recess the hearing until 1:30.

(Thereupon the noon recess was taken. Thereafter the hearing was continued as follows, to-wit:)

MR. NUTTER: The hearing will come to order, please. Prior to the recess we were on combined cases 5444 and 5445 and a question arose as to the formation in which the subject well is completed. Mr. Moseley, have you arrived at any decision as to the probable designation of the formation?

A Yes, I think it should be designated as Wolfcamp.

MR. NUTTER: And then the case, is that correct, should proceed with the creation of a Wolfcamp pool?

A Yes, sir, that's correct.

MR. NUTTER: All right. Would you please proceed, Mr. Kellahin?

Q (By Mr. Kellahin) Would you continue with your testimony, Mr. Moseley, by referring to what's been marked as Exhibit Number 2, and explain briefly the information contained on that exhibit?

A Our exhibit 2 is a stratigraphic cross-section showing the five wells that are included here, including the subject well, the Harold Olive Com No. 1 Well, completed as a Wolfcamp; also shown are the Read and Stevens Well to the west, which is presently completed from what is called the Middle Canyon zone. It has a cumulative production to date of 370 million, that is to 1175 . The absolute open flow from this Middle Canyon zone initially was 14 million cubic feet per day and it went on production in April of 1967. The Harold Olive Communitized Number 1 Well, as I mentioned earlier, is completed in the Wolfcamp zone, which would be the lower Wolfcamp, had an initial calculated absolute open flow of 1.332 million cubic feet of gas per day. This well was initially drilled to the Morrow and was subsequently plugged back to 9986 and completed from the zone 9836 - 9846. The well is not presently producing; they're waiting on a pipeline connection here. We anticipate that the well will be on a line sometime around the 1st of April or the 1st of May of this year.

The well immediately to the west -- to the east, rather, is the Pennzoil-Moore Communitized Number 1, and it is completed in the upper portion of the Wolfcamp. The initial calculated absolute open flow on this well was 11.2 million cubic feet per day. It has cumulative production to 1-1-75 of 246 million cubic feet of gas and 6093 barrels of oil.

Q Please refer to what has been marked as Exhibit 3.

A Exhibit 3 is a copy of the pay portion of the density-sonic log, or density-neutron log, rather, on the Harold Olive Number 1, the well in question. We have shown here the completion interval and also shown at the top the, what we call the top of the Pennsylvanian is marked on the log here and this should be the top of the Cisco, more specifically, which correlates -- which corresponds with the top of the Cisco on our previous cross-section.

Q What amount of pay have you assigned to the well?

A We've assigned about 8 feet of net pay here with an average porosity of -- no, I have a correction there. We actually assigned six feet of net pay here with a net average porosity of 8% in this particular zone.

Q Would you look at what has been marked as Exhibit 4?

A Exhibit 4 is the Form C-122, which is the absolute open flow test, from the Harold Olive Well, which was conducted in March of 1974, showing the calculated open flow of 1322 MCF gas per day.

Q Would you refer to Exhibit Number 5 and identify that, please?

A Exhibit Number 5 is a comparison of the economics for 320-acre spacing versus 160-acre spacing. The parameters, such as gas price, production tax, operating cost, and so forth, are shown at the top of this exhibit. We anticipate that with 320-acre spacing the total profit from the well to the full working interest is roughly \$115,000 for an undiscounted profit/investment ratio of .19.

If we were forced to develop on 160-acre spacing we would show a loss in excess of \$450,000 for a development in completion cost here of \$600,000 per well. We have revised this APV cost down to - it's not reflected on this exhibit - it's been revised down to \$539,000 for the development well. Our actual cost for the Harold Olive Number 1 well was \$600,000.

MR. NUTTER: That includes drilling to the Morrow, however, doesn't it?

A Well, this included, yes, drilling to the Morrow, that's right.

Q In your opinion, Mr. Moseley, can you economically drill and develop this pool unless they have 320-acre spacing?

A No, I do not believe we can.

Q Please refer to Exhibit 6 and identify it.

A Exhibit 6 is copy of the revised AFE that we have submitted here showing the estimated cost to drill a development well in the Harold Olive, a 10,000 feet well, the total estimated cost here is \$539,000 to encompass this.

Q Please refer to Exhibit 7 and identify it.

A Our Exhibit 7 is a listing of the unit ownership in the south half of Section 14; the working interest owners and their interests in this unit. Also shown here are the - on the second page - is the 2 acres that we are proposing to force pool which belong to Michael P. Grace.

Q What percentage does that two acres bear to the whole?

A This amounts to .2651 percent of the standard

320-acre unit.

Q All the rest of the acreage has voluntarily committed itself to the unit?

A Yes, that's correct.

Q Please refer to Exhibit 8 and identify that.

A Exhibit 8 is a letter that we -- a copy of a letter that we sent to Mr. Grace requesting -- asking they do join us in drilling this well, written in September of 1974, prior to -- or after substitute completion of the well.

Q And what response have you had to that letter?

A We have had no response to date.

Q Mr. Moseley, does C & K Petroleum desire to be designated as operator of the unit?

A Yes, we do.

Q In connection with the standard type forced pooling order entered by the Commission, the Commission concerns itself with a charge for supervision of the well. Do you have any recommendations as to a charge to be assessed against non-consenting participants?

A Yes, we do. Our operating agreement for the remainder of this unit calls for a combined fixed rate above 10,000 feet and for the first five wells here of

\$169 per month per well.

Q Would you also desire flexibility in the order to either increase or adjust that rate so that it remains consistent with the rate being charged the consenting participants?

A Yes, we would.

Q With regards to a risk factor to be assessed against the non-consenting participants, Mr. Moseley, do you have a recommended risk factor?

A We would recommend the cost plus 200%.

Q In your opinion, Mr. Moseley, would the granting of this application be in the best interests of conservation and the prevention of waste and the protection of royalty rights?

A We believe it will, yes.

Q Were Exhibits 1 through 8 either prepared by you directly or compiled under your direction and supervision?

A Yes, they were.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits 1 through 8.

MR. NUTTER: C & K Exhibits 1 through 8 will be admitted in evidence.



MR. KELLAHIN: That concludes our direct examination.

QUESTIONS BY MR. NUTTER:

Q Mr. Moseley, the Commission heretofore has created and designated a Wolfcamp pool in this area for the Pennzoil well, which is a south offset to this in Section 23. Is this well producing from the same interval in the formation that the Pennzoil well is?

A No, sir. If you'll refer to the cross-section the well to the east of our Harold Olive shows that completion interval of that well. It's in what is called the upper -- or what is called there or what they consider to be the Wolfcamp pay, which is an interval some 250 to 300 feet above the interval in which we're completed.

Q Well now, if we determine that this subject well, the Olive well, is producing from the Wolfcamp formation, and if we have already created a Wolfcamp pool for the Pennzoil well, and if we don't separate the Wolfcamp into the upper Wolfcamp and lower Wolfcamp pools, this would be producing from the same pool as the Pennzoil well.

A Yes, sir, that's correct.

Q Even though they are different sections of the Wolfcamp.

A Right.

Q I believe that the name of that particular pool is South Carlsbad Wolfcamp Pool also. Do you know if that's correct?

A Yes, I think this is correct.

Q And that pool did operate under 320-acre temporary rules, which are scheduled to become ineffective on April the 1st of '75, so since we're talking about the same pool, now, in other words what we're seeking here in essence would be a continuation of the pool rules for the old Pennzoil well.

A Yes, sir, that's right.

Q And since pool rules are effective within a mile, your pool would be covered by those rules.

A What was the date of that that they would be ineffective did you say, April of --

Q I believe April the 1st is the date that those pool rules are scheduled to become ineffective, so in order to issue here prior to April 1st reinstating those rules, or adopting new 320-acre rules would affect this well as well as the Pennzoil Well, I would think.

Now, the interest shown on Exhibit 7, Mr. Moseley, are all working interests, is that correct?

A Yes, this is correct.

Q Are all of the royalty interests signed up insofar as the communitization is concerned?

A I believe they are but I'm not positive about that. This is something that I would have to check.

Q But on Page 2 of the exhibit by designating carried interests we're not talking about carried royalty interests or anything; these are carried working interests, is that correct?

A Yes, sir, that's right.

Q And Latham and Barton are also carried interests but they're not being pooled by the subject order, am I correct? They have signed a voluntary --

A They have volunteered, right.

Q And you agreed to carry them on this voluntary communitization?

A That's correct.

Q Now, what was the risk factor that you mentioned as being appropriate for this well?

A Well, we were asking cost plus 200%.

Q 200%.

A Which I believe is statutory, if I'm correct.

Q That's the maximum. Normally the maximum is

reserved for a case where a well has not been drilled and we have a well that's been drilled here, of course, and we know we've got production. There is a risk yet of obtaining a payout, I'm sure.

A Yes, sir, absolutely. We feel like the payout status of this well is very much in question right now.

Q Do you have any estimate of the reserves that the well might have?

A Yes, sir, we've assigned 1.1 million cubic feet. This again is an estimate based on a limited amount of data at this time and consequently this may be a maximum number based upon the information that we have right now.

Q 1.1 billion cubic feet.

A Right.

Q And the well is not connected as of now.

A No, sir.

Q Has the contract been signed for it?

A Yes.

Q Who will purchase that --

A El Paso.

Q And what is the price of the gas on the contract?

A The price on the contract calls for .75 cents per MCF plus BTU adjustment in rebate on taxes.

Q And how was this contract entered, as a small producer, or under an emergency sale, or what?

A No, it was entered under a small producer sale.

Q Small producer. And the combined fixed rate that has been voluntarily agreed to by all the working interest owners is \$169 per month?

A Yes, sir, this is correct.

Q What was the agreement between Latham and Barton and C & K as to the cost of carrying them, Mr. Moseley?

A I'm not familiar with that directly, the exact details of the agreement. This is something that I would have to check into and supply you that information.

Q You could do that for me?

A Yes, uh-huh.

MR. NUTTER: Are there any further questions of Mr. Moseley?

(No response.)

MR. NUTTER: He may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: Not in this case.

MR. NUTTER: Does anyone have anything they wish to offer in Cases 5444 and 5445 combined?

(No response.)

MR. NUTTER: We'll take the case under advisement  
and call the next case.

(Hearing concluded.)

STATE OF NEW MEXICO:

REPORTER'S CERTIFICATE

COUNTY OF SANTA FE :

I, SALLY WALTON BOYD, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings; that the foregoing 20 pages numbered 1 through 20 inclusive, is a full, true and correct transcript of my notes taken during the hearing.

WITNESS my hand and seal, this 18th day of April, 1975.

Sally Walton Boyd  
Sally Walton Boyd  
Notary Public and General Court  
Reporter

My Commission expires:  
10 September 1975

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5444-75 heard by me on 3/19, 1975.

[Signature], Examiner  
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386



# OIL CONSERVATION COMMISSION

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

**I. R. TRUJILLO**  
**CHAIRMAN**

LAND COMMISSIONER  
PHIL R. LUCERO  
MEMBER

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

**March 25, 1975**

Mr. Tom Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 5444  
ORDER NO. R-4683-B

Applicant:  
**C & K Petroleum**

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	<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. 5444  
Order No. R-4683-B

NOMENCLATURE

APPLICATION OF C & K PETROLEUM,  
INC., FOR POOL CREATION AND SPECIAL  
POOL RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 19, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of March, 1975, 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, C & K Petroleum, Inc., seeks  
the creation of a new gas pool for Wolfcamp production in  
Eddy County, New Mexico, and the promulgation of special  
pool rules governing said pool, including a provision for  
320-acre spacing.

(3) That applicant's well, the Harold Olive Com Well  
No. 1, located 660 feet from the South line and 1980 feet  
from the East line of Section 14, Township 22 South, Range 26  
East, NMPM, Eddy County, New Mexico, is within one mile of  
the horizontal limits of the South Carlsbad-Wolfcamp Gas  
Pool and in fact is producing from the same common source of  
supply as said South Carlsbad-Wolfcamp Gas Pool.

(4) That rather than create a new gas pool for Wolfcamp  
production for applicant's Harold Olive Com Well No. 1, the  
Commission should extend said South Carlsbad-Wolfcamp Gas  
Pool to include said well.

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Case No. 5444

Order No. R-4683-B

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the temporary special rules and regulations providing for 320-acre spacing units for the South Carlsbad-Wolfcamp Gas Pool, which are due to expire April 1, 1975, should be continued in full force and effect for an additional one-year period.

(6) That the South Carlsbad-Wolfcamp Gas Pool as heretofore classified, defined, and described, should be extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 14: S/2

(7) That this case should be reopened at an examiner hearing in March, 1976, to permit the operators in the subject gas pool to appear and show cause why the South Carlsbad-Wolfcamp Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-4683, are hereby continued in full force and effect until April 1, 1976.

(2) That the South Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, as heretofore classified, defined, and described is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 14: S/2

(3) That this case shall be reopened at an examiner hearing in March, 1976, at which time the operators in the subject pool may appear and show cause why the South Carlsbad-Wolfcamp Gas Pool should not be developed on 160-acre spacing units.

(4) That Order No. R-4683-A is hereby rescinded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

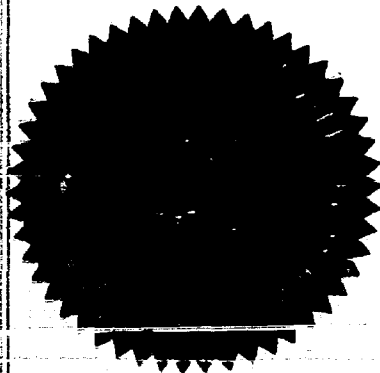
-3-

Case No. 5444

Order No. R-4683-B

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Phil R. Lucero*  
PHIL R. LUCERO, Member

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

S E A L

dr/



March 26, 1975

Mr. D. S. Nutter  
Chief Engineer  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Examiner Hearing - Case 5444  
March 19, 1975

Sir:

Enclosed is a marked copy of the composite BHC Sonic-CN and CN-FD log on the C&K Petroleum, Inc. Harold Olive Com. #1 gas well in Sec. 14, TWP 22-S, RGE 26-E, Eddy County, New Mexico that was requested during the above referenced hearing.

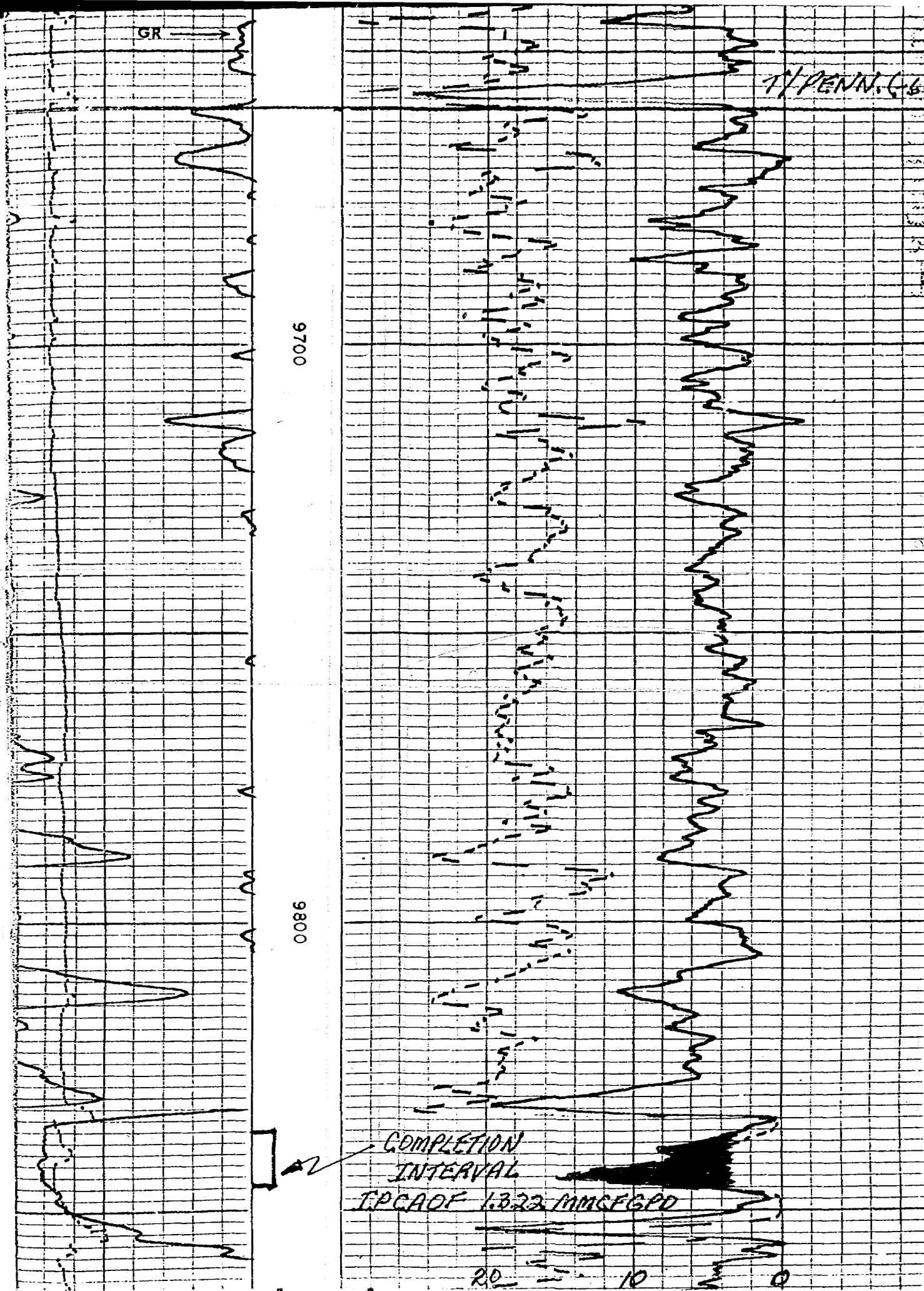
The Cisco Canyon Top has been revised as reflected on the log and is now picked at 9832 ft. or 4 ft. above the well's completion interval.

Please advise if any additional information is needed.

Yours very truly,

*J. L. Moseley*  
J. L. Moseley  
Petroleum Engineer

JLM/nr



COMPANY GULF OIL COMPANY - U.S.

WELL HAROLD OLIVE COM. #1

FIELD S. CARLSBAD

COUNTY EDDY

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

CAN EXHIBIT NO 3

STATE NEW MEXICO

CASE NO. 5444 & 5445

SCHL. FR 11699

SCHL. TD 11703

DRLR TD 11720

Elev: KB 3207

DF

GL 3188

NEW MEXICO OIL CONSERVATION COMMISSION  
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122  
Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date March 19, 1974	
Company Gulf Oil Corporation				Connection			
Pool				Formation Wolfcamp		Unit 160 acres	
Completion Date 2/26/74		Total Depth 11708		Plum Buck TD 10367		Elevation 3188 GL	
Casing Size 7"		Wt. 26#		Set At 10414		Perforations: From 9836 To 9846	
Thy. Size 2 7/8"		Wt. 6.5 #		Set At 9476		Perforations: From To	
Type Well - Single - Bradenhead - G.G. or G.O. Multiple Single						Packer Set At 9476	
Producing Thru Tubing				Reservoir Temp. °F 175 est. @ 9476		Mean Annual Temp. °F 60	
Baro. Press. - P <sub>a</sub> 13.2				County Eddy			
State NM							
L 9476		H 9476		G <sub>o</sub> .659		% CO <sub>2</sub> 0.52	
				% N <sub>2</sub> 0.74		% H <sub>2</sub> S	
Prover		Meter Run 4"		Taps Flange			

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	
SI							2737	76	0	
1.	4	x	1.250	445	15	78	1740	76	0	1 hr.
2.	4	x	1.250	440	5	75	1784	75	0	1 hr.
3.	4	x	1.250	190	2	75	1820	75	0	1 hr.
4.	4	x	1.250	55	2	76	1920	76	0	1 hr.
5.										

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super. Compress. Factor, F <sub>pv</sub>	Rate of Flow Q, Mcfd
1.	7.469	82.90	458.2	.9831	1.232	1.047	785.
2.	7.469	47.60	453.2	.9859	1.232	1.045	451.
3.	7.469	20.16	203.2	.9859	1.232	1.045	191.
4.	7.469	11.68	68.2	.9850	1.232	1.000	105.
5.							

NO.	P <sub>t</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio	17243	Mcf/bbl.
1.	.683	538	1.434	.913	A.P.I. Gravity of Liquid Hydrocarbons	61.7	Deg.
2.	.676	535	1.426	.915	Specific Gravity Separator Gas	.659	X X X X X X X X
3.	.303	535	1.426	.962	Specific Gravity Flowing Fluid	X X X X X	
4.	.101	536	1.429	-	Critical Pressure	670	P.S.I.A.
5.					Critical Temperature	375	R

P <sub>c</sub> 2750.2      F <sub>c</sub> 2 7563.6				$(1) \frac{P_c^2}{P_c^2 - P_t^2} = 1.6846$		$(2) \left[ \frac{P_c^2}{P_c^2 - P_t^2} \right]^n = 1.6846$	
NO.	P <sub>t</sub> <sup>2</sup>	P <sub>w</sub>	P <sub>c</sub> <sup>2</sup>	P <sub>c</sub> <sup>2</sup> - P <sub>t</sub> <sup>2</sup>	$AOF = Q \left[ \frac{P_c^2}{P_c^2 - P_t^2} \right]^n = 1322$		
1	1753.2	1756.1	3073.7	4489.9			
2	1797.2		3229.9	4333.7			
3	1833.2		3360.6	4203.0			
4	1933.2		3737.3	3826.3			
5							

Absolute Open Flow 1322		Mcf @ 15.025		Angle of Slope @ 45.0°		Slope, n 1.000 limit	
Remarks: This test was run in reverse because of well logging conditions.							
Friction calculations: on high rate of flow indicates friction is negligible -							
Used P <sub>t</sub> to plot and calculate potential.							
Approved By Commission:		Conducted By: Davis		Calculated By: Davis		Checked By:	

**BEFORE EXAMINER NUTTER**  
OIL CONSERVATION COMMISSION  
C/K EXHIBIT NO. 4  
CASE NO. 5444 & 5445

C & K PETROLEUM, INC.  
CARLSBAD, SOUTH (WOLFCAMP)  
EDDY CO., N.M.  
DEVELOPMENT ECONOMICS

ASSUMPTIONS:

Expense Interest-  
Revenue Interest-  
Gas Price-  
Prod. Tax-  
Oper. Exp.-  
Cost Per Completed Well-  
Ultimate Recovery-  
Life-

TOTAL INCOME TO FULL W.I.:

Gross Revenue-  
Less 1/8 Roy.-  
Less Prod. Tax (7.8%)-

TOTAL INVESTMENT

TOTAL OPER. EXP.

TOTAL PROFIT TO FULL W.I.

UNDISC. PROFIT/INVESTMENT RATIO

320 ACRE SPACING

100%  
87.5%  
\$0.85  
7.8%  
\$200/Well-Month  
\$600,000  
1,100 MMCF  
16 Yrs.

160 ACRE SPACING

100%  
87.5%  
\$0.85  
7.8%  
\$200/Well-Month  
\$600,000  
1,100 MMCF  
8 Yrs.

\$935,000  
\$818,125  
\$754,311

\$935,000  
\$818,125  
\$754,311

\$ 600,000 (1-Well)

\$ 1,200,000 (2-Well's)

\$ 38,400

\$ 38,400

\$ 115,911

(\$ 484,089)

0.19

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
C & K EXHIBIT NO. 5  
CASE NO. 5444 & 5445

# AUTHORITY FOR EXPENDITURE

No. \_\_\_\_\_  
Date 2/18/75

Lease H. Olive Well No. 2 Field \_\_\_\_\_ Depth 10,000'

Location \_\_\_\_\_

Reason for Request To drill and complete a Canyon well

		ESTIMATED COST TO CASING POINT	COMPLETION COST AFTER CASING POINT
<b>INTANGIBLE DRILLING &amp; DEVELOPMENT</b>			
1. Surveying		\$ 200.00	\$
2. Roads and Location		5,000.00	
3. Damages		750.00	
4. Contract Drilling: MI & RU @ \$		10,000.00	
Day work: 55 days @ \$ 2600.00/day		143,000.00	
5. Cement & Cementing Services:			
Surface sax @ \$		1,850.00	
Intermediate sax @ \$			
Oil String sax @ \$			15,000.00
6. Drilling Fluids		25,000.00	
7. Drill Stem Testing: 2 Tests @ 1200/ea		2,400.00	
8. Coring & Analysis			
9. Electric Log		7,500.00	450.00
10. Perforating			1,100.00
11. Acidizing & Fracturing			5,000.00
12. Pulling units			5,000.00
13. Plugging			
14. Trucking		2,000.00	1,500.00
15. Geology		3,000.00	
16. Miscellaneous including bits & fuel		\$1,000.00	
17. Tool Rentals, Special Services		4,000.00	2,000.00
18. Contract Labor			1,500.00
19. Contract Overhead		3,000.00	750.00
20. Engineering			
21. Supervision		2,000.00	1,500.00
22. Insurance @ 1.323/ft.		15,600.00	
23. Contingencies		26,200.00	2,200.00
TOTAL INTANGIBLE DRILLING & DEVELOPMENT		\$ 302,500.00	\$ 34,000.00
<b>EQUIPMENT (Itemized)</b>			
24. Casing - Surface 400' - 13-3/8" @ \$16.80/ft		7,000.00	
Intermediate			
Production 7" - 10,000' @ \$9/ft			90,000.00
25. Tubing 2-7/8" 10,000' @ \$5.00/ft			50,000.00
26. Guide Shoes, Float, & Centralizers		650.00	1,400.00
27. Well Head		2,000.00	3,500.00
28. Tanks & Separators			18,000.00
29. Flow Lines			1,000.00
30. Valves & Fittings			1,500.00
Production Packers			2,000.00
31. Pumping Equipment			
Rods			
32. Other		7,350.00	16,100.00
TOTAL EQUIPMENT		\$ 17,000.00	\$ 123,500.00
TOTALS		\$ 319,500.00	\$ 219,500.00
TOTAL DRILLING & COMPLETION COSTS			\$ 539,000.00

ACCEPTED:

Date \_\_\_\_\_

Company \_\_\_\_\_

By \_\_\_\_\_

Your Interest \_\_\_\_\_

**BEFORE EXAMINER NUTTER**  
OIL CONSERVATION COMMISSION  
**C & K** EXHIBIT NO. 6  
CASE NO. 5444 & 5445

APPROVED:

C & K PETROLEUM, INC.

By \_\_\_\_\_

Operator's Interest \_\_\_\_\_

\$ \_\_\_\_\_



HAROLD OLIVE #1 - 319.95 acre Unit

Page 1.

PARTICIPATION IN UNIT AREA BELOW DEPTH OF 9,786 FEET:

	(1) Acreage Owned	(2) Acreage Percent of Unit	(3) Initial Test Well W.I. Participation UNTIL PAYOUT	(4) Overriding Royalty in Test Well Until Payout	(5) W.I. Participation after Payout of the Farmouts	(6) W.I. Participation After Payout of the Carried Interests
C & K Petroleum, Inc. 607 Midland National Bank Bldg. Midland, Texas 79701	136.70	42.7255%	74.9961%	-0-	64.5765%	62.0761%
Gulf Oil Corporation P. O. Box 1150 Midland, Texas 79701	80.00	25.0039%	25.0039%	-0-	25.0039%	25.0039%
Amoco Production Company P. O. Box 3092 Houston, Texas 77001	80.00	25.0039%	-0-	* 1.5627% (.0625 of 25.0039%)	8.7514% (35% of 25.0039%)	8.7514%
C. R. Cahill c/o J. Richard Rowan P. O. Box 162 Midland, Texas 79701	15.25	4.7663%	-0-	* .2979% (.0625 of 4.7663%)	1.6682% (35% of 4.7663%)	1.6682%

cont'd. on p. 2

BEFORE EXAMINER NUTTE  
OIL CONSERVATION COMMISSION  
C & K EXHIBIT NO. 7  
CASE NO. 5444 & 5445

Participation in Unit Area below depth of 9,786 feet (cont'd.)

	(1) Acreage Owned	(2) Acreage Percent of Unit	(3) Initial Test Well W.I. Participation UNTIL PAYOUT	(4) Overriding Royalty in Test Well Until Payout	(5) W.I. Participation After Payout of Farmouts	(6) W.I. Participation After Payout of Carried Interests
CARRIED INTERESTS:						
E. L. Latham, Jr. and Roy G. Barton, Jr. P. O. Box 978 Hobbs, New Mexico 88240	6.00	1.8753%	-0-	-0-	-0-	1.8753%
Michael P. Grace P. O. Box 1418 Carlsbad, New Mexico 88220	2.00	.6251%	-0-	-0-	-0-	.6251%
TOTALS:	319.95	100.0000%	100.0000%	* 1.8606% (.0625 of 29.7702%)	100.0000%	100.0000%

\* The interests of Amoco Production Company and C. R. Cahill are subject to farmout agreements in favor of C & K Petroleum, Inc. (below 9786' only). The overriding royalty credited to said owners under Column (4) above are to be borne solely by C & K Petroleum, Inc. Said overriding royalties may be converted to the working interest credited to said owners under Column (5) above after payout and said conversion shall be borne solely by the interest of C & K Petroleum, Inc. Payout shall include recovery by Gulf Oil Corporation of 100% of drilling costs from surface down to 9786'. (see Exhibit "A")

NOTE: C & K Petroleum, Inc. shall recover out of Unit production all well costs attributable to the above carried interests plus applicable 25% penalty including operating costs for deepening and producing initial test well below 9786'. Thereafter, Gulf Oil Corporation shall recover out of Unit Production all costs attributable to carried interests plus applicable 25% penalty for drilling to 9786' only. (see Exhibit "A" hereof)

The working interest participation factors shown under Column (5) and/or Column (6) above shall become effective at 7:00 a.m. on the first day following the date that C & K Petroleum, Inc. and Gulf Oil Corporation have recovered said well costs.

Dockets Nos. 8-75 and 9-75 are tentatively set for hearing on April 2, and April 16, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 19, 1975

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 April, 1975;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1975.

CASE 5415: (Continued from the February 19, 1975, Examiner Hearing)

Application of Burk Royalty Co., for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Double L Queen Unit Area, comprising 2670 acres, more or less, of Federal, State, and fee lands in Townships 14 and 15 South, Ranges 29 and 30 East, Chaves County, New Mexico.

CASE 5409: (Continued & Readvertised)

Application of Atlantic Richfield Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 12 and the NE/4 of Section 13, both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its George W. Toby WN Wells Nos. 4, 1, and 1-A, located, respectively, in Units I and P of said Section 12 and in Unit A of said Section 13.

CASE 5438: Application of Exxon Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special rules for the Fairview Mills-Wolfcamp Gas Pool, Township 25 South, Range 34 East, Lea County, New Mexico, including a provision for 640-acre spacing units.

CASE 5439: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order, as amended, authorized the commingling, prior to measurement, of Hobbs Grayburg-San Andres, Hobbs-Blindbry, and Bowers-Seven Rivers production from its W. D. Grimes "A" and "B" Leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Hobbs-Drinkard production.

- CASE 5440: Application of Gulf Oil Corporation for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Penrose Skelly Wells Nos. 220 and 262 to be located, respectively, 1034 feet from the South line and 2635 feet from the West line of Section 5 and 1300 feet from the South line and 1139 feet from the East line of Section 8, both in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2794 to provide an administrative procedure for the approval of additional unorthodox locations for injection and producing wells within the South Penrose Skelly Unit Area.
- CASE 5441: Application of J. Gregory Merrion and Robert L. Bayless for down-hole commingling, Rio Arriba County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle undesignated Gallup and Basin-Dakota production in the wellbore of the El Paso Canyon Largo NF Well No. 1, located in Unit K of Section 3, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 5442: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Feil Federal Well No. 1, to be drilled 660 feet from the North and West lines of Section 28, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 28 to be dedicated to the well.
- CASE 5443: Application of Sun Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Bone Spring production for its Jennings-Federal Well No. 1, located in Unit F of Section 15, Township 19 South, Range 32 East, Lea County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 160-acre proration units.
- CASE 5444: Application of C & K Petroleum, Inc., for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new gas pool for production from the Wolfcamp formation for its Harold Olive Com No. 1 Well, located in Unit O of Section 14, Township 22 South, Range 26 East, Eddy County, New Mexico, and the promulgation of temporary special rules therefor, including a provision for 320-acre spacing units.
- CASE 5445: Application of C & K Petroleum, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 or, in the alternative, the SE/4 of Section 14, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Harold Olive Com Well No. 1, located at an orthodox location in the SE/4 of said Section 14. 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 the applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 5446: Application of C & K Petroleum, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new oil pool for Strawn production for its Shipp "27" Well No. 1, located in Unit 0 of Section 27, Township 16 South, Range 37 East, Lea County, New Mexico, and the promulgation of temporary special rules therefor, including a provision for 80-acre proration units.

CASE 5447: Application of C & K Petroleum, Inc., for amendment of Order No. R-4857, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4857, which order pooled all mineral interests in the Pennsylvanian formation underlying the SW/4 SE/4 of Section 27, Township 16 South, Range 37 East, Lea County, New Mexico, to pool all such mineral interests underlying the S/2 SE/4 of said Section 27.

CASE 5428: (Continued from the February 19, 1975, Examiner Hearing)

Application of Amax Chemical Corporation for the extension of the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Potash-Oil Area in Eddy County, New Mexico, as defined by Order No. R-111-A, as amended, by the addition of the following described lands:

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4  
Section 14: W/2 SW/4  
Section 23: N/2 NW/4, SE/4 NW/4, S/2 NE/4  
Section 24: NW/4, W/2 NE/4, NE/4 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 14: W/2 NE/4  
Section 18: SW/4

September 12, 1974

Mr. Michael P. Grace  
P. O. Box 1418  
Carlsbad, New Mexico 88220

Re: Harold Olive Com No. 1  
S/2 Sec 14, T-22-S, R-28-E  
Eddy County, New Mexico

Dear Mr. Grace:

You have verbally agreed to commit the 2-acre leasehold interest of Michael P. Grace toward the 319.95 acre proration unit described above, your interest to be carried, with operator to recover 125% prior to your receiving income from your working interest.

We attach one copy of Communitization Agreement with five signature and acknowledgment pages. As this agreement must be file in five originals, we ask that you execute this agreement and return the five signature and acknowledgment pages to C & K. We also attach one copy of Unit Operating Agreement (see Exhibit "A-1" for your contribution). Please execute and return one signature and acknowledgment page of the operating agreement.

This well is still shut-in pending execution of gas contract. We will very much appreciate your prompt attention to this matter. If you need further information, please let us know.

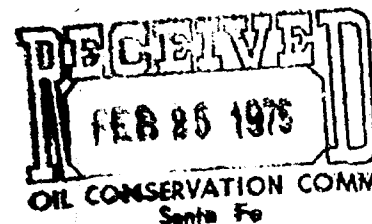
Very truly yours,

C & K PETROLEUM, INC.

G. C. Tompson  
Manager of Production

DML/rgb  
encl.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
CYK	EXHIBIT NO. 8
CASE NO. 544445445	



BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
C & K PETROLEUM, INC., FOR THE  
CREATION OF A POOL AND POOL RULES  
FOR PRODUCTION FROM THE WOLFCAMP  
FORMATION, EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW C & K PETROLEUM, INC., by and through its  
Attorneys, KELLAHIN & FOX, and applies to the New Mexico  
Oil Conservation Commission for the designation of a new  
pool for production from the Wolfcamp formation, and for  
pool rules therefor, and in support thereof would show  
the Commission:

1. Applicant is the operator of the Harold Olive Com  
No. 1 Well, located 660 feet from the South line and 1980  
feet from the East line of Section 14, Township 22 South,  
Range 26 East, Eddy County, New Mexico.
2. Said well is completed in an undesignated Wolfcamp  
pool.
3. Applicant seeks the creation of a new pool for  
production by subject well from the Wolfcamp formation.
4. Applicant further seeks the promulgation of pool  
rules for said pool, including, but not limited to provi-  
sions for the location of wells, proration and spacing  
units of not less than 320 acres and for such other rules

DOCKET MAILED

Date 3/6/75

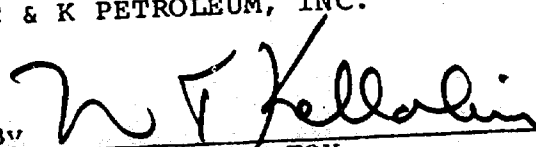
as the Commission deems appropriate.

WHEREFORE, Applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that after notice and hearing an order be entered granting the application as requested.

Respectfully submitted,

C & K PETROLEUM, INC.

By



KELLAHIN & FOX

Post Office Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



DRAFT

dr/

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. 5444

Order No. R- 4683-B

NOMENCLATURE

APPLICATION OF C & K PETROLEUM, INC.,  
FOR POOL CREATION AND SPECIAL POOL  
RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 19, 1975  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this            day of           , 1975, 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, C & K Petroleum, Inc., seeks  
the creation of a new gas pool for Wolfcamp production in  
Eddy County, New Mexico, and the promulgation of special  
pool rules governing said pool, including a provision for  
320-acre spacing.

1                   (3) *That* the applicant's well, the Harold Olive Com Well No. 1,  
2 located 660 feet from the South line and 1980 feet from the  
3 East line of Section 14, Township 22 South, Range 26 East, NMPM,  
4 Eddy County, New Mexico, is within one mile of the horizontal limits  
5 of the South Carlsbad-Wolfcamp Gas Pool and in fact is producing  
6 from the same common source of supply as said South Carlsbad-  
7 Wolfcamp Gas Pool.

8                   (4) That rather than create a new gas pool for Wolfcamp  
9 production for applicant's Harold Olive Com Well No. 1, the  
10 Commission should extend said South Carlsbad-Wolfcamp Gas Pool  
11 to include said well.

12                   (5) That in order to prevent the economic loss caused by  
13 the drilling of unnecessary wells, to avoid the augmentation of  
14 risk arising from the drilling of an excessive number of wells,  
15 to prevent reduced recovery which might result from the drilling  
16 of too few wells, and to otherwise prevent waste and protect  
17 correlative rights, the temporary special rules and regulations  
18 providing for 320-acre spacing units for the South Carlsbad-  
19 Wolfcamp Gas Pool, which are due to expire April 1, 1975, should  
20 be continued in full force and effect for an additional one-year  
21 period.

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(6) That the South Carlsbad-Walfcamp Gas Pool as heretofore classified, defined, and described, should be extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST NMPN

Section 14: S/2

(7) That this case should be reopened at an Examiner hearing in March, 1976, to permit the operators in the subject gas pool to appear and show cause why the South Carlsbad-Walfcamp Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED

(1) That the Special Rules and Regulations governing the South Carlsbad-Walfcamp Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-4683, are hereby ~~extended~~ continued in full force and effect until April 1, 1976.

(2) That the South Carlsbad-Walfcamp Gas Pool, Eddy County, New Mexico, as heretofore classified, defined, and described is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPN

Section 14: S/2

(3) That this case shall be reopened at an examiner hearing in March, 1936, at which time the operators in the subject pool may appear and show cause why the South Carlisle-Walcamp Gas Pool should not be overlaid on 160-acre spacing units

(4) That Order No. R-4683-A is hereby rescinded.

(5) That jurisdiction etc

DONE AT