
**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

Case Nos. 11723 (De Novo); 11755 (De Novo)
and 11868 (Consolidated) Exhibit No. 7

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 30, 1997

CHRONOLOGY
CATCLAW DRAW-MORROW GAS POOL
EDDY COUNTY, NEW MEXICO

1. June 21, 1971 Order No. R-4157. Catclaw Draw Morrow Gas Pool created and temporary special pool rules adopted authorizing 640-acre spacing and establishing 1650 foot set back requirements.
2. September 13, 1973 Order No. R-4157-A. Permanent Pool Rules Adopted.
3. January 15, 1974 Order No. R-4704. Catclaw Draw-Morrow Gas Pool Prorated.
4. October 22, 1974 Order No. R-4157-B. Pool Rules limited to Pool Boundary.
5. January 9, 1980 Order No. R-4157-C. 320-acre spacing adopted.
6. August 26, 1981 Order No. R-4157-D. 640-acre spacing with one optional second well is approved.
7. July 27, 1988 One well rule -- Memorandum from William J. LeMay -- development of non prorated pools with single well units.
8. August 3, 1990 One well rule -- Memorandum from William J. LeMay regarding continuous and concurrent development of multiple wells on non-prorated spacing units.
9. March 28, 1986 Order No. R-8170. New General Rules and Regulations for the prorated gas pools of New Mexico are adopted. This Order repealed prior prorationing rules (Order No. R-1670) and contains special pool rules for individual pools. The rules for the Catclaw Draw-Morrow Gas Pool are silent on second wells on spacing units.

February, 1994 Additional well drilled in this pool as second well on a spacing unit.
10. March 27, 1995 Order No. R-10328. Prorationing "suspended" in certain pools including the Catclaw Draw-Morrow Gas Pool.

11. October, 1995

Application for Permit to Drill

Texaco drilled the E.J. Levers Federal "NCT-1" Well No. 2 as the second well to the Morrow formation, Catclaw Draw-Morrow Gas Pool, on the 632.36-acre spacing and proration unit comprised of Section 12, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico.

12. September 10, 1997

Stogner Memorandum

Meeting at the New Mexico Oil Conservation Division with Michael E. Stogner at which time Mr. Stogner advised Texaco that two Morrow wells in Section 12 violated Division rules and requested one well on this unit be shut-in until:

- A. Gas prorationing be reestablished in the Catclaw Draw-Morrow Gas Pool;
- B. The pool rules be amended to permit infill wells;
- C. An exception to Oil Conservation Division Rule 104.D(3) is obtained; or
- D. Documentation be submitted showing an exception to this rule has previously been obtained.