

**LUSK-MORROW GAS POOL**  
Lea County, New Mexico

Order No. R-2373, Creating and Adopting Temporary Operating Rules for the Lusk-Morrow Gas Pool, Lea County, New Mexico, November 21, 1962, as Amended by Order No. R-6197, November 28, 1979.

Order No. R-2373-A, May 13, 1964, extends existing rules for one year and requires reconsideration at an examiner hearing in May, 1965.

Order No. R-2373-B, May 19, 1965, makes permanent the temporary rules adopted in Order No. R-2373.

See separate Order No. R-6197, November 28, 1979, making rules applicable to certain area and amending Rule 1.

Application of El Paso Natural Gas Company for the creation of a new Gas Pool and establishment of Special Rules and Regulations, Lea County, New Mexico.

CASE NO. 2691  
Order No. R-2373

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:** This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 a new gas pool for Morrow production should be created and designated the Lusk-Morrow Gas Pool.

(3) That since March, 1961, the date of the first completion in the Morrow formation in the proposed pool, several wells have subsequently been completed in the Morrow formation and are capable of producing gas therefrom.

(4) That El Paso Natural Gas Company seeks the promulgation of temporary special rules and regulations for the Lusk-Morrow Gas Pool to provide for 640-acre gas proration units and the allocation of allowables to non-marginal wells in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the subject pool.

(5) That the evidence presented concerning the economic loss that will occur as a result of drilling of unnecessary wells justifies the establishment of 640-acre gas proration units in the subject pool for a temporary period of 18 months.

(6) That during the 18-month period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

(7) That this case should be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

**IT IS THEREFORE ORDERED:**

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Lusk-Morrow Gas Pool consisting of the following-described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 18: All  
Section 19: All  
Section 20: All  
Section 29: All

(2) That Special Rules and Regulations for the Lusk-Morrow Gas Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS  
FOR THE  
LUSK-MORROW GAS POOL**

**RULE 1.** (As Amended by Order No. R-6197, November 28, 1979.) Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be located on a standard proration unit consisting of approximately 640 contiguous surface acres substantially in the form of a square which is a legal section of the United States Public Lands Survey. For purposes of these rules, a unit containing 632 through 648 acres shall be considered a standard unit.

**RULE 3.** Each well completed or recompleted in said pool shall be located not closer than 330 feet to the outer boundary of the SW/4 NE/4, NW/4 SE/4, NE/4 SW/4, or SE/4 NW/4 of the section. Any well drilling to or completed in the Strawn or Morrow formations on the date of this order is hereby granted an exception to the well location requirements of this rule.

**RULE 4.** For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 640 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The acreage factor assigned to any such non-standard unit shall bear the same ratio to a standard acreage factor in the Lusk-Morrow Gas Pool as the acreage in such non-standard unit bears to 640 acres.

**RULE 5.** In the event of subsequent prorationing of the Lusk-Morrow Gas Pool, the allowable assigned to a non-marginal well shall be in the same ratio that its acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

**RULE 6.** The vertical limits of the Lusk-Morrow Gas Pool shall be the Morrow formation.

(3) That this case shall be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

(4) 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.

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

Case No. 12076 Exhibit No. 1

Submitted by: Marbob Energy Corporation

Hearing Date: December 3, 1998