

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING COMPANY
TO AMEND THE SPECIAL POOL RULES FOR
THE MCMILLAN-MORROW GAS POOL, OR IN
THE ALTERNATIVE FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW MEXICO.

No. 12463 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

APPLICATION

Pogo Producing Company applies for an order amending the special rules and regulations for the McMillan-Morrow Gas Pool (the "Pool"), or in the alternative approving an unorthodox gas well location in the Pool, and in support thereof, states:

1. Applicant is the lessee of, among other lands, all of Section 18, Township 20 South, Range 27 East, N.M.P.M., and is an operator in the Pool.

2. The Pool was created by Division Order No. R-2917, and covers the following lands:

Township 20 South, Range 26 East, N.M.P.M.

Section 13: All
Section 24: All

Township 20 South, Range 27 East, N.M.P.M.

Section 7: All
Section 18: All
Section 19: All

Order No. R-2917 also instituted special rules for the Pool, providing for 640 acre spacing, with wells to be located no closer than 1650 feet to the outer boundary of a section nor closer than 330 feet to quarter-quarter section line.

3. Division Order No. R-5829 limited the effect of the special pool rules to the acreage described in paragraph 2 above.

4. Applicant requests amendment of the special pool rules for the Pool to provide as follows:

(a) 640 acre spacing;

(b) orthodox well locations no closer than 660 feet to a quarter section line and no closer than 10 feet to a quarter-quarter section line or subdivision inner boundary;

(c) four wells per section, with additional wells to be located in a quarter section not containing an existing well, and subject to the well location requirements specified in sub-paragraph (b) above;

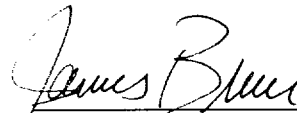
(d) the operator of the infill well(s) is the same operator currently designated by the Division for the other well(s) in the section.

5. In the alternative, applicant requests approval of an unorthodox gas well location in the Morrow formation for its proposed Davis "18" Well No. 1, to be located 660 feet from the north and west lines of Section 18, Township 20 South, Range 27 East, N.M.P.M. Lots 1-4, the E $\frac{1}{2}$ W $\frac{1}{2}$, and the E $\frac{1}{2}$ (all) of Section 18 will be dedicated to the well, forming a standard 638.52 acre spacing and proration unit.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,



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