

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

May 16, 1994

HAND DELIVERED

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail, Room 219
P. O. Box 2088
Santa Fe, New Mexico 87501

~~11000~~
11000

Re: KC Singer Well No. 1
N/2 Section 19, T20S, R27E, NMPM
Application of Matador Petroleum Corporation
for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Stogner:

On behalf of Matador Petroleum Corporation, please find enclosed our application for compulsory pooling which we request be set for hearing on the Examiner's docket now scheduled for June 9, 1994. Also enclosed is our proposed notice of publication for this case.

By copy of this letter, including the application, to all affected parties, we are notifying them by certified mail-return receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application.

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OIL CONSERVATION DIVISION
MAY 16 1994 8 50

Oil Conservation Division
May 16, 1994
Page 2.

Pursuant to the Division's Memorandum 2-90, all interested parties are hereby informed that if they appear in the case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 pm on Friday, June 3, 1994, with a copy delivered to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin

Enclosure

cc: Matador Petroleum Corporation

BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED

to: M. Craig Clark

~~#991~~
11000

CASE___: Application of Matador Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Cisco formation underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Undesignated Springs-Upper Pennsylvanian Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles southeast from the spillway at Lake McMillan Reservoir, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION
OF MATADOR PETROLEUM CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

11000
~~10997~~
CASE NO. _____

A P P L I C A T I O N

Comes now MATADOR PETROLEUM CORPORATION, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Cisco formation underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Springs-Upper Pennsylvanian Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well.

In support of its application, Matador Petroleum Corporation ("Matador") states:

1. Matador has a working interest ownership in the oil and gas minerals underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico.

2. The subject tract is located approximately 2 miles southwest from the Springs-Upper Pennsylvanian Gas Pool which is located in Section 34, T20S, R26E, NMPM, said pool being spaced on 320-acre gas spacing and proration units.

6. Matador has the voluntary agreement of approximately 95 % of the working interest ownership of the oil & gas minerals from the top of the Wolfcamp to the base of the Cisco formation underlying the N/2 of Section 19.

7. Matador has proposed the subject well and its spacing unit to the remaining working interest owner in an effort to reach a voluntary agreement.

8. Despite its good faith efforts, Matador has been unable to obtain a written voluntary agreement from the following party:

PARTY:

M. Craig Clark
310 W. Texas Av. Suite 822
Midland, Texas 79701

INTEREST:

est. 5 %

9. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Matador needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

10. In accordance with the Division's notice requirements, a copy of this application has been sent to the interest party listed in paragraph (8) above notifying him of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for June 9, 1994.

WHEREFORE, Matador, as applicant, requests that this application be set for hearing on June 9, 1994 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in this spacing unit for the drilling of the subject well at a standard gas well location upon terms and conditions which include:

- (1) Matador Petroleum Corporation be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) A drilling schedule which will provide an opportunity for the operator to conduct a 3-D seismic survey in the area; and
- (6) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

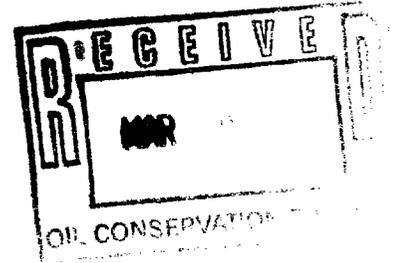
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

May 2, 1994



HAND DELIVERED

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail, Room 219
P. O. Box 2088
Santa Fe, New Mexico 87501

10994
11000

Re: KC Singer Well No. 1
N/2 Section 19, T20S, R27E, NMPM
Application of Matador Petroleum Corporation
for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Stogner:

On behalf of Matador Petroleum Corporation, please find enclosed our application for compulsory pooling which we request be set for hearing on the Examiner's docket now scheduled for May 26, 1994. Also enclosed is our proposed notice of publication for this case.

By copy of this letter, including the application, to all affected parties, we are notifying them by certified mail-return receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application.

Oil Conservation Division
May 2, 1994
Page 2.

Pursuant to the Division's Memorandum 2-90, all interested parties are hereby informed that if they appear in the case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 pm on Friday, May 20, 1994, with a copy delivered to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin

Enclosure

cc: Matador Petroleum Corporation

BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED

to: M. Craig Clark

CASE ____: Application of Matador Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Springs-Upper Pennsylvanian Gas Pool, or the Undesignated McMillan-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles southeast from the spillway at Lake McMillan Reservoir, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION
OF MATADOR PETROLEUM CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

A P P L I C A T I O N

Comes now MATADOR PETROLEUM CORPORATION, by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17(c) (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Springs-Upper Pennsylvanian Gas Pool, or the Undesignated McMillan-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well.

In support of its application, Matador Petroleum Corporation ("Matador") states:

1. Matador has a working interest ownership in the oil and gas minerals underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico.

2. The subject tract is located within the current boundaries of the McMillan-Morrow Gas Pool and approximately 2 miles southwest from the Springs-Upper Pennsylvanian Gas Pool which is located in Section 34, T20S, R26E, NMPM, both of said pools being spaced on 320-acre gas spacing and proration units.

6. Matador has the voluntary agreement of approximately 95 % of the working interest ownership of the oil & gas minerals from the top of the Wolfcamp to the base of the Morrow formation underlying the N/2 of Section 19.

7. Matador has proposed the subject well and its spacing unit to the remaining working interest owner in order to reach a voluntary agreement.

8. Despite its good faith efforts, Matador has been unable to obtain a written voluntary agreement from the following party:

PARTY:

M. Craig Clark
310 W. Texas Av. Suite 822
Midland, Texas 79701

INTEREST:

est. 5 %

9. Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Matador needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

10. In accordance with the Division's notice requirements, a copy of this application has been sent to the interest party listed in paragraph (8) above notifying them of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for May 26, 1994.

WHEREFORE, Matador, as applicant, requests that this application be set for hearing on May 26, 1994 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in this spacing unit for the drilling of the subject well at the proposed standard oil well location upon terms and conditions which include:

- (1) Matador Petroleum Corporation be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285

COUNTY *Eddy*

POOL *McMillan - Morrow Gas*

TOWNSHIP *20 South*

RANGE *27 East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: All Sec. 7 & 18 (R-2917, 6-8-65)

Ext: All Sec. 19 (R-3681, 3-1-69)

R 2917

R 5829

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. 3252
Order No. R-2917
NOMENCLATURE

APPLICATION OF HARVEY E. YATES
AND YATES DRILLING COMPANY FOR
THE CREATION OF A NEW GAS POOL
AND FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 26, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of June, 1965, 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 applicants, Harvey E. Yates and Yates Drilling Company, seek the creation of a new gas pool for Morrow production in Eddy County, New Mexico, and the promulgation of special rules and regulations, including a provision for 640-acre spacing units.

(3) That the Hondo Singer "C" Well No. 1, located in Unit F of Section 18, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico, has discovered a separate common source of supply which should be designated the McMillan-Morrow Gas Pool; that the vertical limits of said pool should be the Morrow zone of the Pennsylvanian formation; and that the horizontal limits of said pool should be all of Section 13, Township 20 South,

CASE No. 3252
Order No. R-2917

Range 26 East, and all of Sections 7 and 18, Township 20 South,
Range 27 East, NMPM, Eddy County, New Mexico.

(4) 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, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the McMillan-Morrow Gas Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the McMillan-Morrow Gas Pool, at which time the operators in the subject pool should appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

(8) That the first operator to obtain a pipeline connection for a well in the McMillan-Morrow Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated the McMillan-Morrow Gas Pool, with vertical limits comprising the Morrow zone of the Pennsylvanian formation, and horizontal limits comprising all of Section 13, Township 20 South, Range 26 East, and all of Sections 7 and 18, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico.

CASE No. 3252
Order No. R-2917

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

SPECIAL RULES AND REGULATIONS
FOR THE
McMILLAN-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the McMillan-Morrow Gas Pool or in the Morrow formation within one mile thereof, and not nearer to or within the limits of another designated 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 shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent

to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location 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 may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the McMillan-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before July 1, 1965.

(2) That each well presently drilling to or completed in the McMillan-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive a 320-acre allowable until a Form C-102 dedicating 640 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the McMillan-Morrow Gas Pool, at which time the operators in the subject pool may appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

-5-

CASE No. 3252

Order No. R-2917

(4) That the first operator to obtain a pipeline connection for a well in the McMillan-Morrow Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

(5) 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

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. 3252
Order No. R-2917-A

APPLICATION OF HARVEY E. YATES
AND YATES DRILLING COMPANY FOR
THE CREATION OF A NEW GAS POOL
AND FOR 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 July 19, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27th day of July, 1966, 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 by Order No. R-2917, dated June 8, 1965, temporary
Special Rules and Regulations were promulgated for the McMillan-
Morrow Gas Pool, Eddy County, New Mexico.
- (3) That pursuant to the provisions of Order No. R-2917,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the McMillan-Morrow Gas Pool should
not be developed on 320-acre spacing units.
- (4) That the applicants have not presented sufficient evidence
concerning the reservoir characteristics of the McMillan-Morrow

-2-

CASE No. 3252
Order No. R-2917-A

Gas Pool to enable the Commission to determine that said temporary Special Rules and Regulations should be made permanent.

(5) That the temporary Special Rules and Regulations for the McMillan-Morrow Gas Pool, promulgated by Order No. R-2917, should be continued in effect until further order of the Commission in order to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(6) That this case should be reopened at an examiner hearing in January, 1968, at which time the applicants and all interested parties should appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the McMillan-Morrow Gas Pool, promulgated by Order No. R-2917, are hereby continued in full force and effect until further order of the Commission.

(2) That this case shall be reopened at an examiner hearing in January, 1968, at which time the applicants and all interested parties may appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

(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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

esr/

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. 3252
Order No. R-2917-B

APPLICATION OF HARVEY E. YATES AND YATES
DRILLING COMPANY FOR THE CREATION OF A
NEW GAS POOL AND FOR 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 January 10, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of January, 1968, 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 by Order No. R-2917, dated June 8, 1965, temporary Special Rules and Regulations were promulgated for the McMillan-Morrow Gas Pool, Eddy County, New Mexico.

(3) That by Order No. R-2917-A, dated July 27, 1966, said temporary Special Rules and Regulations were continued in full force and effect for an additional period of 18 months.

(4) That pursuant to the provisions of Order No. R-2917-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the McMillan-Morrow Gas Pool should not be developed on 320-acre spacing units.

-2-

Case No. 3252

Order No. R-2917-B

(5) That the evidence establishes that one well in the McMillan-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2917 and R-2917-A have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(7) 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 Special Rules and Regulations promulgated by Orders Nos. R-2917 and R-2917-A should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the McMillan-Morrow Gas Pool, promulgated by Orders Nos. R-2917 and R-2917-A, are hereby continued in full force and effect until further order of the Commission.

(2) 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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6337
Order No. R-5829

APPLICATION OF MARK D. WILSON TO
LIMIT APPLICATION OF POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 27, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of October, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That applicant, Mark D. Wilson, seeks to limit the application of the Special Rules and Regulations for the McMillan-Morrow Gas Pool, Eddy County, New Mexico, to the horizontal limits of said pool only.
- (3) That said McMillan-Morrow Gas Pool has been developed and operated on 640-acre spacing pursuant to the provisions of Division Order No. R-2917, dated June 8, 1965.
- (4) That the productive limits of the McMillan-Morrow Gas Pool have been defined by the wells drilled within and immediately outside the presently defined pool boundaries.
- (5) That any new production which may be established in this area will in all probability be from a separate common source of supply and should not necessarily be subject to the Special Pool Rules established for the McMillan-Morrow Gas Pool.

(6) That limitation of the application of the McMillan-Morrow Gas Pool Rules to wells located within the boundaries of the McMillan-Morrow Gas Pool as they now exist will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the 640-acre spacing rules and special well location requirements applicable to the McMillan-Morrow Gas Pool shall be effective only insofar as they apply to the following-described lands in Eddy County, New Mexico:

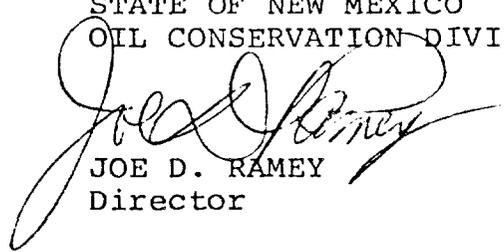
TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 13: All
Section 24: All

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 7: All
Sections 18 and 19: All

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/03/94 15:40:21
OGOMES -EMFD
PAGE NO: 1

Sec : 19 Twp : 20S Rng : 27E Section Type : NORMAL

1 39.77 OPEN	C 40.00 OPEN	B 40.00 OPEN	A 40.00 OPEN
2 39.88 OPEN	F 40.00 OPEN A	G 40.00 OPEN	H 40.00 OPEN

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/03/94 15:40:36
OGOMES -EMFD
PAGE NO: 2

Sec : 19 Twp : 20S Rng : 27E Section Type : NORMAL

3 40.02 OPEN	K 40.00 OPEN	J 40.00 OPEN	I 40.00 OPEN
4 40.13 OPEN	N 40.00 OPEN	O 40.00 OPEN	P 40.00 OPEN

M0001:This is the last page

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

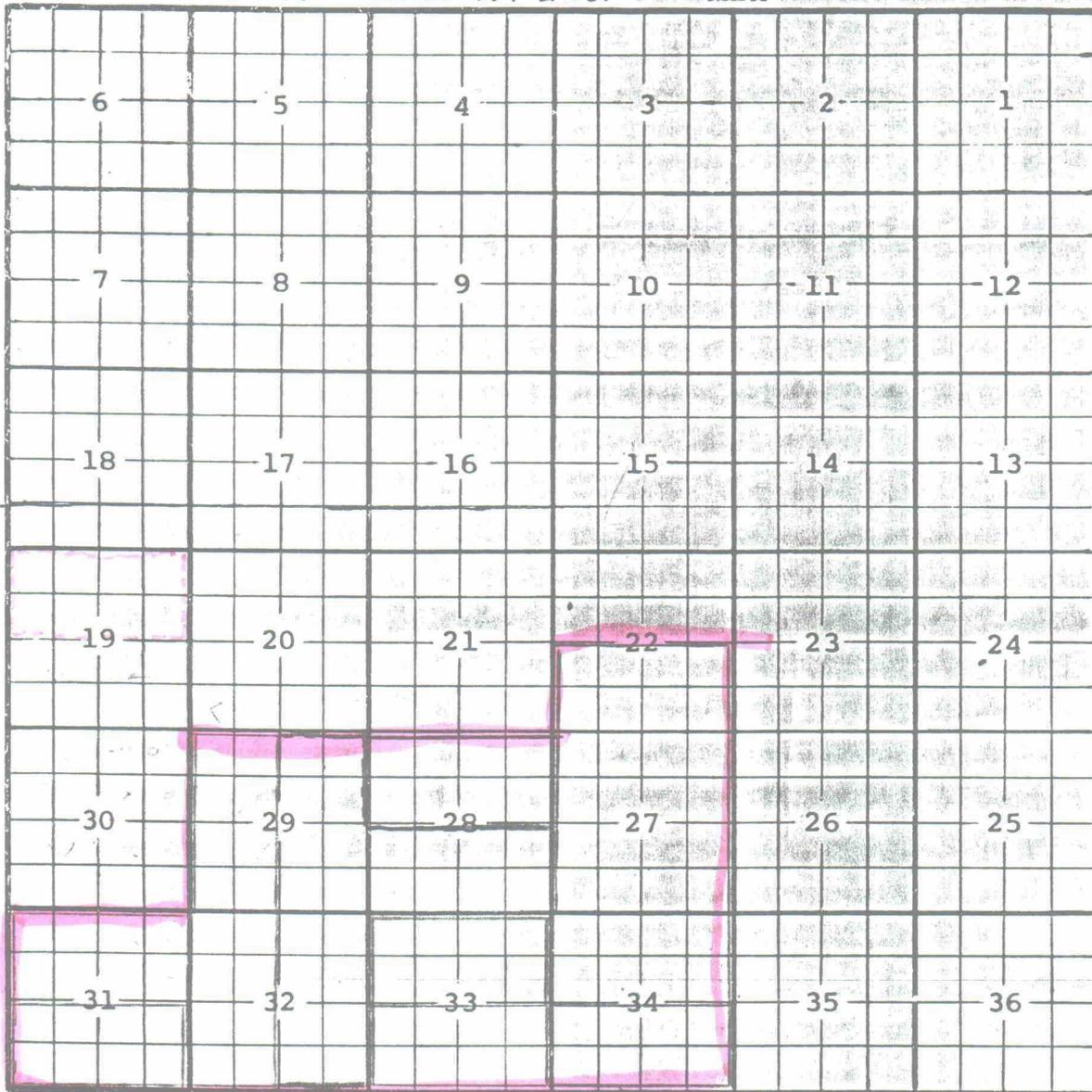
COUNTY Eddy

POOL Avalon - Morrow Gas

TOWNSHIP 20 South

RANGE 27 East

NMPM



Description: $\frac{5}{2}$ Sec 33 (R-4861, 11-1-74)

Ext: $\frac{5}{2}$ Sec 31 (R-5102, 10-1-75) Ext: $\frac{W}{2}$ Sec 29, $\frac{N}{2}$ Sec 31, - $\frac{W}{2}$ Sec 32 (R-5131, 1-1-76) Ext: $\frac{N}{2}$ Sec 33, (R-5252, 9-1-76)

Ext: $\frac{5}{2}$ Sec 34 (R-5361, 3-1-77), Ext: $\frac{5}{2}$ Sec 22, All Sec 27 -

$\frac{N}{2}$ Sec 34 (R-5534, 10-1-77) Ext: $\frac{5}{2}$ sec 28, $\frac{E}{2}$ sec 29, $\frac{E}{2}$ sec 32, (R-6876, 1-22-82) Ext: $\frac{N}{2}$ Sec. 28 (R-9326, 11-7-90)

<p>3143 Chevron HBP 12264</p> <p>3144 J.M. Huber HBP 12264</p> <p>3145 J.M. Huber HBP 12264</p> <p>3146 J.M. Huber HBP 12264</p> <p>3147 J.M. Huber HBP 12264</p> <p>3148 J.M. Huber HBP 12264</p> <p>3149 J.M. Huber HBP 12264</p> <p>3150 J.M. Huber HBP 12264</p>	<p>3151 J.M. Huber HBP 12264</p> <p>3152 J.M. Huber HBP 12264</p> <p>3153 J.M. Huber HBP 12264</p> <p>3154 J.M. Huber HBP 12264</p> <p>3155 J.M. Huber HBP 12264</p> <p>3156 J.M. Huber HBP 12264</p> <p>3157 J.M. Huber HBP 12264</p> <p>3158 J.M. Huber HBP 12264</p> <p>3159 J.M. Huber HBP 12264</p> <p>3160 J.M. Huber HBP 12264</p>	<p>3161 J.M. Huber HBP 12264</p> <p>3162 J.M. Huber HBP 12264</p> <p>3163 J.M. Huber HBP 12264</p> <p>3164 J.M. Huber HBP 12264</p> <p>3165 J.M. Huber HBP 12264</p> <p>3166 J.M. Huber HBP 12264</p> <p>3167 J.M. Huber HBP 12264</p> <p>3168 J.M. Huber HBP 12264</p> <p>3169 J.M. Huber HBP 12264</p> <p>3170 J.M. Huber HBP 12264</p>	<p>3171 J.M. Huber HBP 12264</p> <p>3172 J.M. Huber HBP 12264</p> <p>3173 J.M. Huber HBP 12264</p> <p>3174 J.M. Huber HBP 12264</p> <p>3175 J.M. Huber HBP 12264</p> <p>3176 J.M. Huber HBP 12264</p> <p>3177 J.M. Huber HBP 12264</p> <p>3178 J.M. Huber HBP 12264</p> <p>3179 J.M. Huber HBP 12264</p> <p>3180 J.M. Huber HBP 12264</p>	<p>3181 J.M. Huber HBP 12264</p> <p>3182 J.M. Huber HBP 12264</p> <p>3183 J.M. Huber HBP 12264</p> <p>3184 J.M. Huber HBP 12264</p> <p>3185 J.M. Huber HBP 12264</p> <p>3186 J.M. Huber HBP 12264</p> <p>3187 J.M. Huber HBP 12264</p> <p>3188 J.M. Huber HBP 12264</p> <p>3189 J.M. Huber HBP 12264</p> <p>3190 J.M. Huber HBP 12264</p>	<p>3191 J.M. Huber HBP 12264</p> <p>3192 J.M. Huber HBP 12264</p> <p>3193 J.M. Huber HBP 12264</p> <p>3194 J.M. Huber HBP 12264</p> <p>3195 J.M. Huber HBP 12264</p> <p>3196 J.M. Huber HBP 12264</p> <p>3197 J.M. Huber HBP 12264</p> <p>3198 J.M. Huber HBP 12264</p> <p>3199 J.M. Huber HBP 12264</p> <p>3200 J.M. Huber HBP 12264</p>
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20-26

