

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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

W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

March 28, 1990

HAND DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: Application of Oryx Energy Company  
for Unorthodox Well Location  
Well Name: Grama Ridge Federal Com No. 2  
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Oryx Energy Company please find enclosed our Application of Unorthodox Well Location which we would request be set for hearing on the next available Examiner's docket now scheduled for April 18, 1990.

By copy of this letter to all 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 or in opposition to the Application.

Very truly yours,



W. Thomas Kellahin

Wtk/tic  
Enclosure

xc: Charles Gray  
Oryx Energy Company  
P.O. Box 2880  
Dallas, Texas 75221-2880

RECEIVED

MAR 28 1990

OIL CONSERVATION DIVISION

9913

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED

MAR 2 1963

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
ORYX ENERGY COMPANY FOR APPROVAL OF  
AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

NO. 9913

A P P L I C A T I O N

Comes now ORYX ENERGY COMPANY, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location to be drilled to the base of the Morrow Pool, Lea County, New Mexico, at a location 1046 feet from the North line and 1273 feet from the West line of Section 9, T22S, R34E, N.M.P.M., with the W/2 of said section being dedicated to the well, and in support thereof would show:

1. Applicant is the operator and has the right to drill and develop the W/2 of Section 9, T22S, R34E, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to drill its Grama Ridge Federal Com No. 2 Well at an unorthodox location 1046 feet from the North line and 1273 feet from the West line of Section 9.

3. That approval of the Application will be in the best interests of conservation, the protection of correlative rights and the prevention of waste.

The offsetting parties towards whom this well is  
encroaching is as follows:

C.W. Trainer  
526 Shady Mountain Drive  
Sunrise Beach, Texas 78643

aka C.W. Trainer  
P.O. Box 369  
Kingsland, Texas 78639

Hudson Petroleum, Inc.  
P.O. Box 26770  
Oklahoma City, Oklahoma 73126

WHEREFORE, Applicant requests that this matter be  
set for hearing and that after said hearing the Application  
be granted as requested.

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

KELLAHIN, KELLAHIN AND AUBREY

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Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosure

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Oryx Energy Company  
P.O. Box 2880  
Dallas, Texas 75221-2880

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED

MAR 28 1990

OIL CONSERVATION DIVISION

NO.

9915

IN THE MATTER OF THE APPLICATION OF  
ORYX ENERGY COMPANY FOR APPROVAL OF  
AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

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Hudson Petroleum, Inc.  
P.O. Box 26770  
Oklahoma City, Oklahoma 73126

WHEREFORE, Applicant requests that this matter be set for hearing and that after said hearing the Application be granted as requested.

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

**KELLAHIN, KELLAHIN AND AUBREY**

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OIL CONSERVATION DIVISION

9918

Re: Application of Oryx Energy Company  
for Unorthodox Well Location  
Well Name: Grama Ridge Federal Com No. 2  
Lea County, New Mexico

Dear Mr. LeMay:

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Oryx Energy Company  
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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

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MAR 28 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
ORYX ENERGY COMPANY FOR APPROVAL OF  
AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO

NO.

9913

A P P L I C A T I O N

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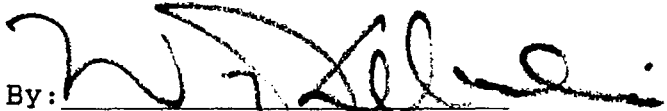
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Santa Fe, New Mexico 87504  
(505) 982-4285



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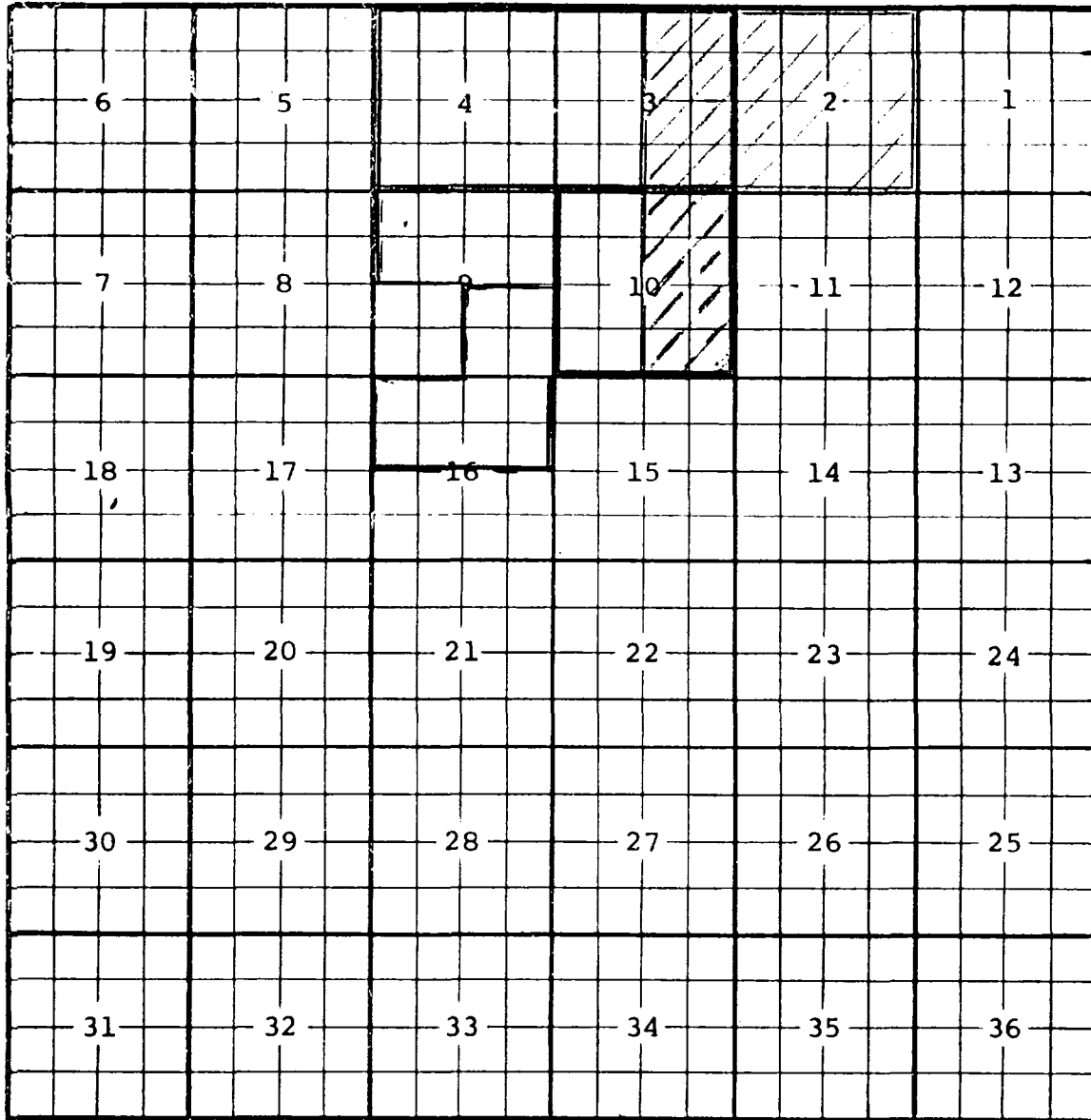
No wells in the W/2 of Section 9, Township  
22S-32R and 34E

COUNTY Lea POOL Grana Ridge - Morrow Gas

TOWNSHIP 22 South

RANGE 34 East

NMPM



Description: All Sec. 3 & 4 (R-3006, 12-3-65)

Ext: All Sec. 10 (R-3152, 12-1-66) Ext: All Sec 2 (R-5729, 6-1-78)

Deletion: All Sec 2, E/2 Sec 3, E/2 Sec 10 (R-5995, 5-2-79)

EXT: SE/4 sec. 9, N/2 sec 16 (R-9741, 9-1-89) EXT: N/2 SEC 9 (R-9120, 3-1-90)



Oryx Energy Company  
24 Smith Road  
PO Box 1861  
Midland TX 79702-1861  
915 688 0300

March 29, 1990

Southwestern  
Production Region

Kellahin, Kellahin & Aubrey  
P. O. Box 2265  
Santa Fe, New Mexico 87504 - 2265

Attn: Tom Kellahin

Re: Unorthodox Location Applications  
Oryx Energy Company  
Grama Ridge - Morrow Gas Pool  
Sec. 9, T-22-S, R-34-E, Lea County  
Grama Ridge Federal No. 1  
B, 660' FNL & 1980' FEL  
Grama Ridge Federal No. 2  
D, 1046' FNL & 1273' FWL

Dear Mr. Kellahin:

Enclosed are two requests for unorthodox locations for two captioned wells.

Well No. 1 has already been drilled as a regular location. Oryx wishes to re-assign the 320-acre proration unit from the North 1/2 of Section 9 to the East 1/2 of Section in order to drill another well on the West 1/2 of this Section. The Grama Ridge-Morrow Gas Pool is spaced, drilled, operated and produced in accordance with Statewide Rule 104 (320-acre proration unit, 660' to nearest side boundary, 1980' to nearest end boundary, 330' to nearest 1/4-1/4 section line). Well No. 1 will now be too close to the end boundary (660').

Well No. 2 is too close to the end boundary (1046') and too close to 1/4-1/4 section line (47'). This location was picked due to geologic structure. This location is requested in order to stay as structurally high as possible in the Morrow interval. Water production is present to the south (down dip).

A plat showing the offset operators surrounding Section 9 for the same pool and formation is attached. Also, a list of working interest owners is attached.

Oryx requests these applications be set on the docket at the earliest possible date.

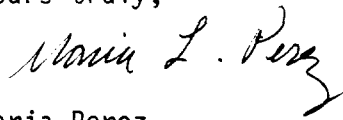
A complete Application to Drill, with attachments, and copy of the archeological report will be mailed to you as soon as we receive it.

Unorthodox Location Appl.  
March 29, 1990

Please notify and submit copies to the Oil Conservation Division in Santa Fe and the Bureau of Land Management. Also, send out waivers to the effected offset operators.

Should you require additional information, please contact me at 915/699-0375.

Yours truly,

A handwritten signature in cursive script, appearing to read "Maria L. Perez".

Maria Perez  
Proration Analyst

Attachments

MP/ak

OFFSET OPERATORS  
GRAMA RIDGE WELLS 1 & 2

(Sec. 9, T-22-S, R-34-E, Lea County, New Mexico)

S/2 Section 3, S/2 Section 4, W/2 Section 10

Hadson Petroleum (USA) Inc.  
P. O. Box 26770  
Oklahoma City, OK 73126-6770

E/2 Section 5

C. W. Trainer  
526 Shady Mtn. Drive  
Sunrise Beach, TX 78643

Section 8

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Sections 8, 16, 17, N/2 Section 15

Oryx Energy Company  
P. O. Box 1861  
Midland, TX 79702-1861

Sections 16, 17, N/2 Section 15

BTA Oil Producers  
104 S. Pecos Street  
Midland, Texas 79701

N/2 Section 15

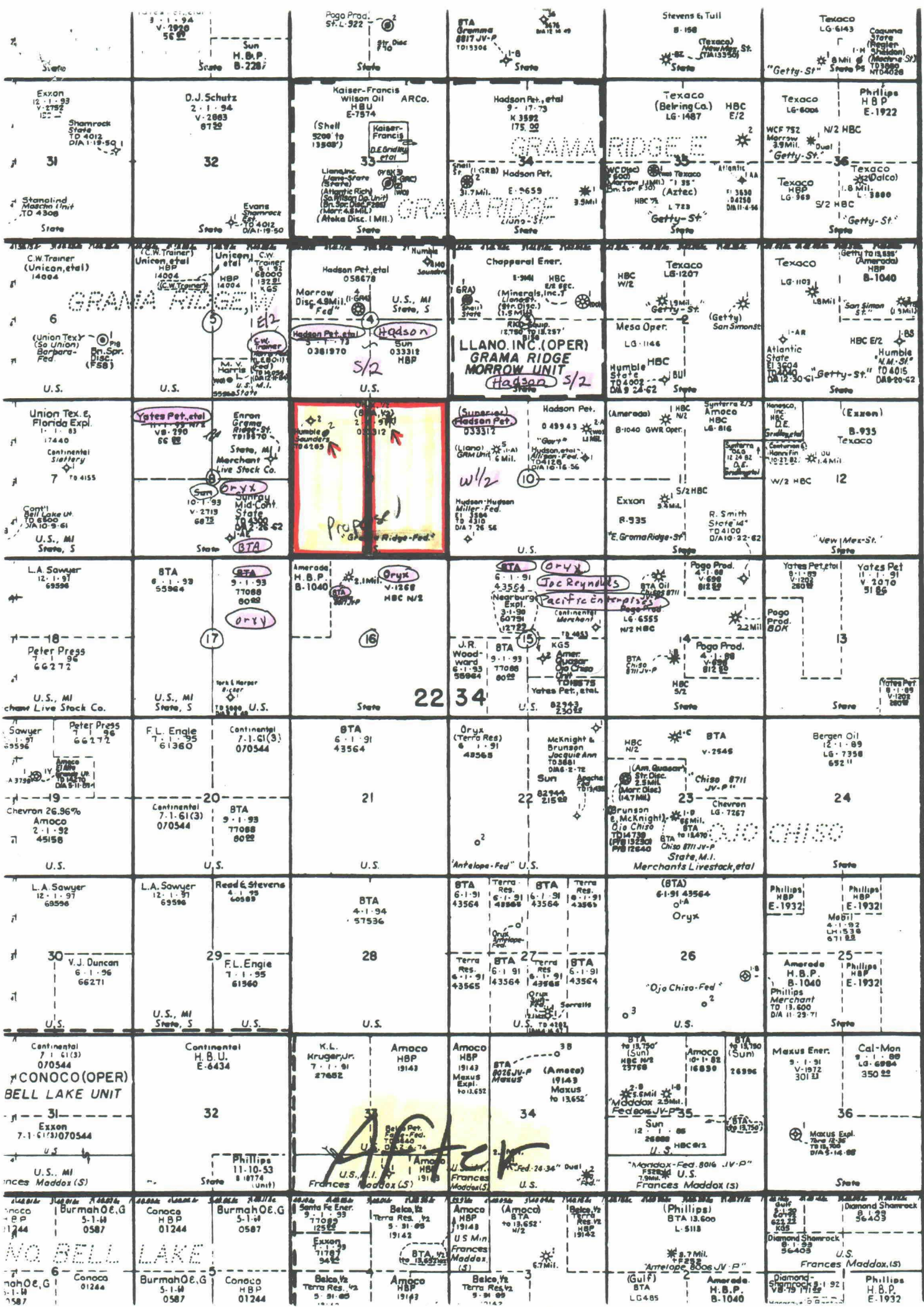
Joe Reynolds  
2333 50th Street  
Lubbock, Texas 79421

Pacific Enterprises  
P. O. Box 3083  
Midland, Texas 79702

Working Interest Owners

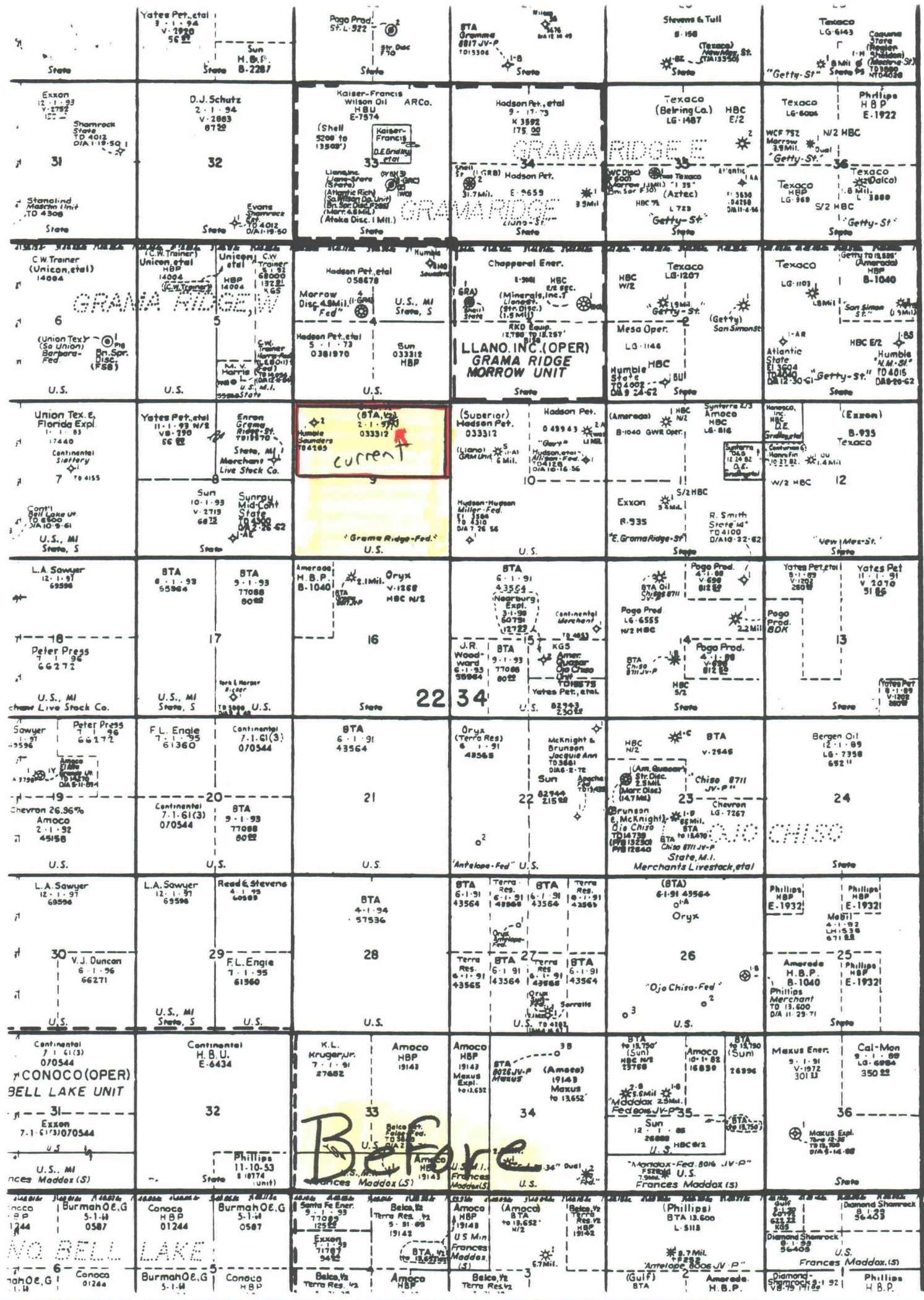
BTA Oil Producers  
104 S. Pecos Street  
Midland, Texas 79701

Oryx Energy Company  
P. O. Box 1861  
Midland, Texas 79702



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9-891-5356

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unorthodox

**OIL CONSERVATION DIVISION**

- P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
**P.O. Box 1980, Hobbs, NM 88240**

**DISTRICT H**  
**P.O. Drawer DD, Artesia, NM 88210**

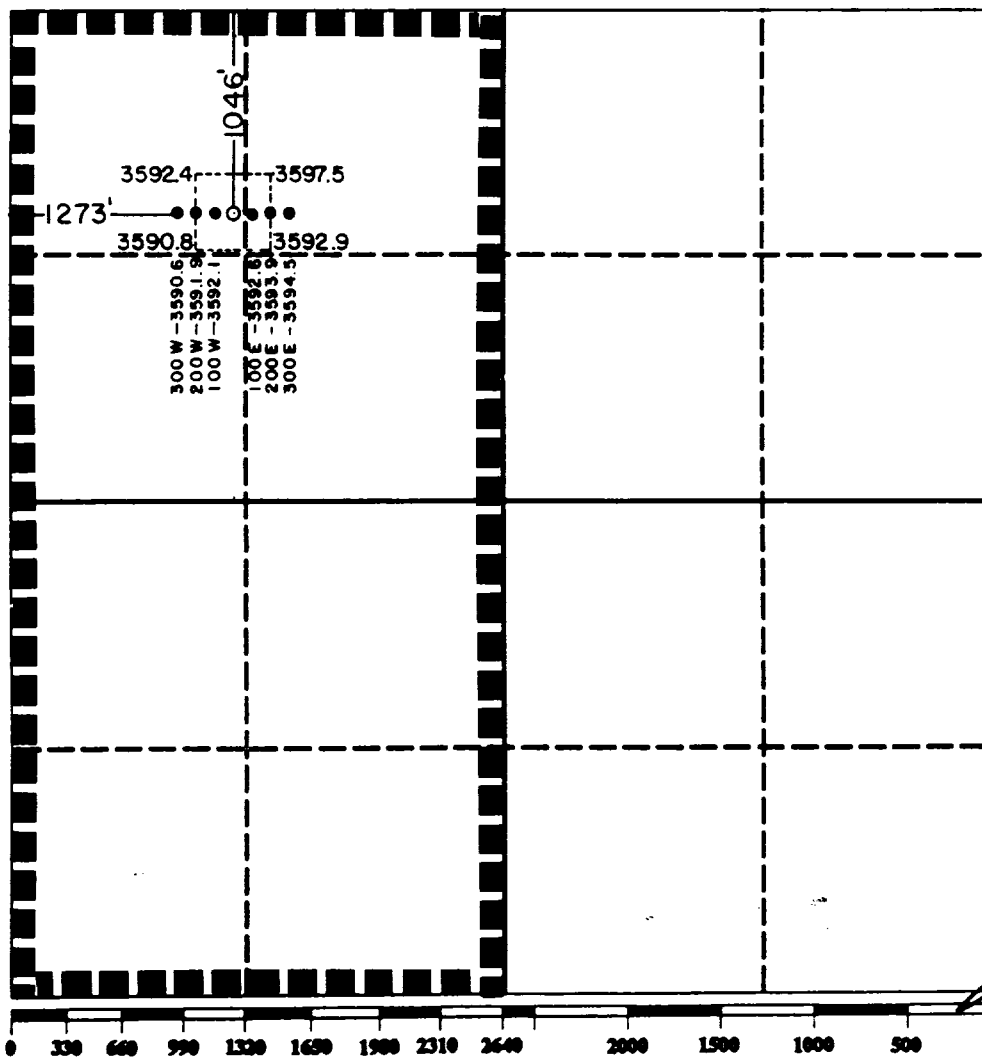
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

**All Distances must be from the outer boundaries of the section**

Operator ORYX ENERGY COMPANY			Lease Grama Ridge Federal		Well No. 2
Unit Letter D	Section 9	Township 22 South	Range 34 East	County NMPM Lea	
Actual Footage Location of Well: 1046 feet from the North line and 1273 feet from the West line					
Ground level Elev. 3592.4	Producing Formation Morrow		Pool Grama-Ridge Morrow Gas Pool		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes      ☐ No      If answer is "yes" type of consolidation Pooling
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

## Summary

Printed Name: \_\_\_\_\_

Maria L. Perez

**Position**

Proration Analyst

## Company

Oryx Energy Company

Date \_\_\_\_\_

3-38-90

### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed:

March 21, 1990

**Signature & Seal of  
Professional Surgeon**

## 7. Callaway No.

10

RONALD J. EIDSON

2-9-1

676

3239

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

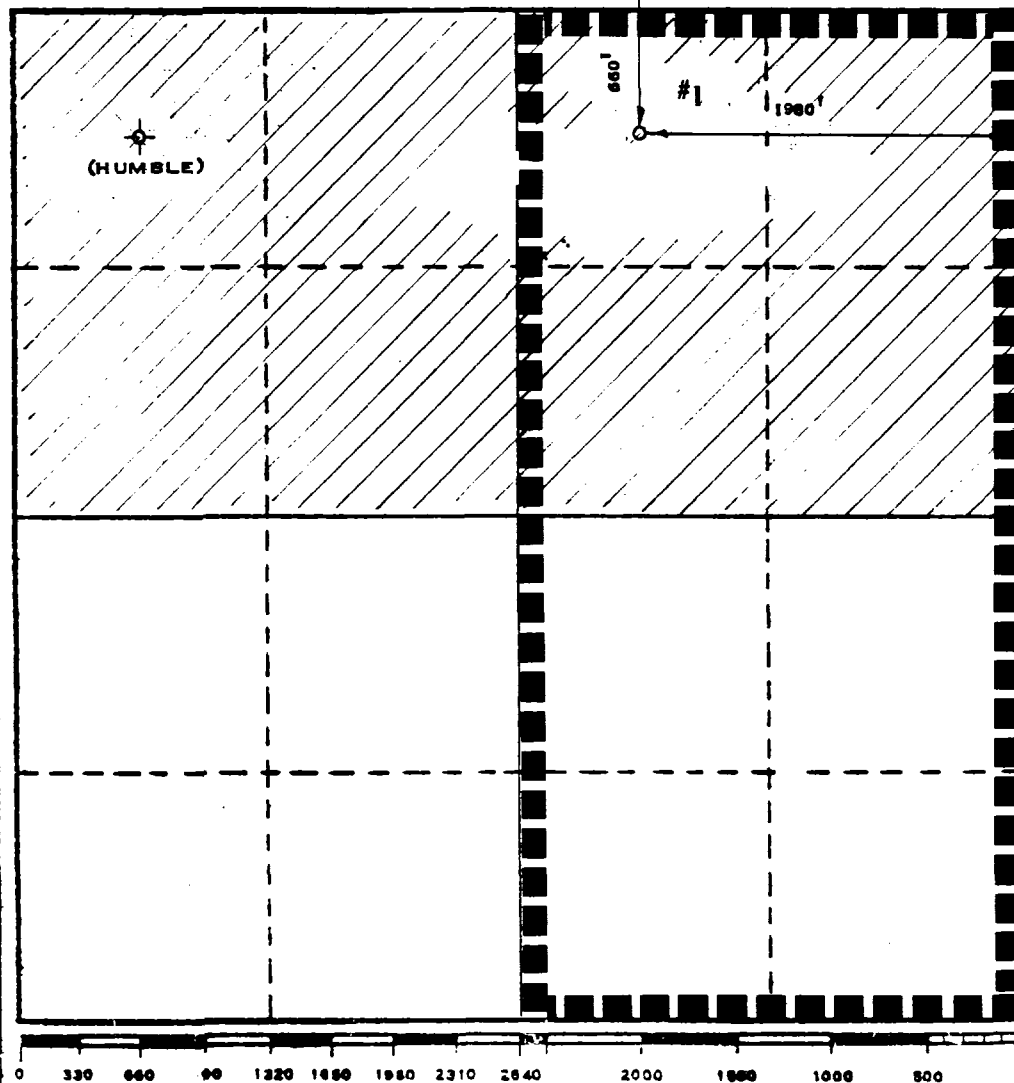
Operator <b>ORYX ENERGY COMPANY</b>			Lease <b>GRAMA RIDGE-FEDERAL</b>		Well No. <b>1</b>
Unit Letter <b>"B"</b>	Section <b>9</b>	Township <b>22-S</b>	Range <b>34-E</b>	County <b>LEA</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span>660 feet from the <b>NORTH</b> line and</span> <span>1980 feet from the <b>EAST</b> line</span> </div>					
Ground Level Elev. <b>3600</b>	Producing Formation <b>MORROW</b>		Pool <b>GRAMA-RIDGE MORROW GAS</b>	Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes   ☐ No   If answer is "yes," type of consolidation Pooling

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position \_\_\_\_\_

Proration Analyst

Company \_\_\_\_\_

Oryx Energy Company

Date \_\_\_\_\_

3-28-90

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

AUGUST 18, 1989

Registered Professional Engineer and/or Land Surveyor

*Max A. Schumann Jr.*  
MAX A SCHUMANN JR

Certificate No. **1510**

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-63

All distances must be from the outer boundaries of the Section.

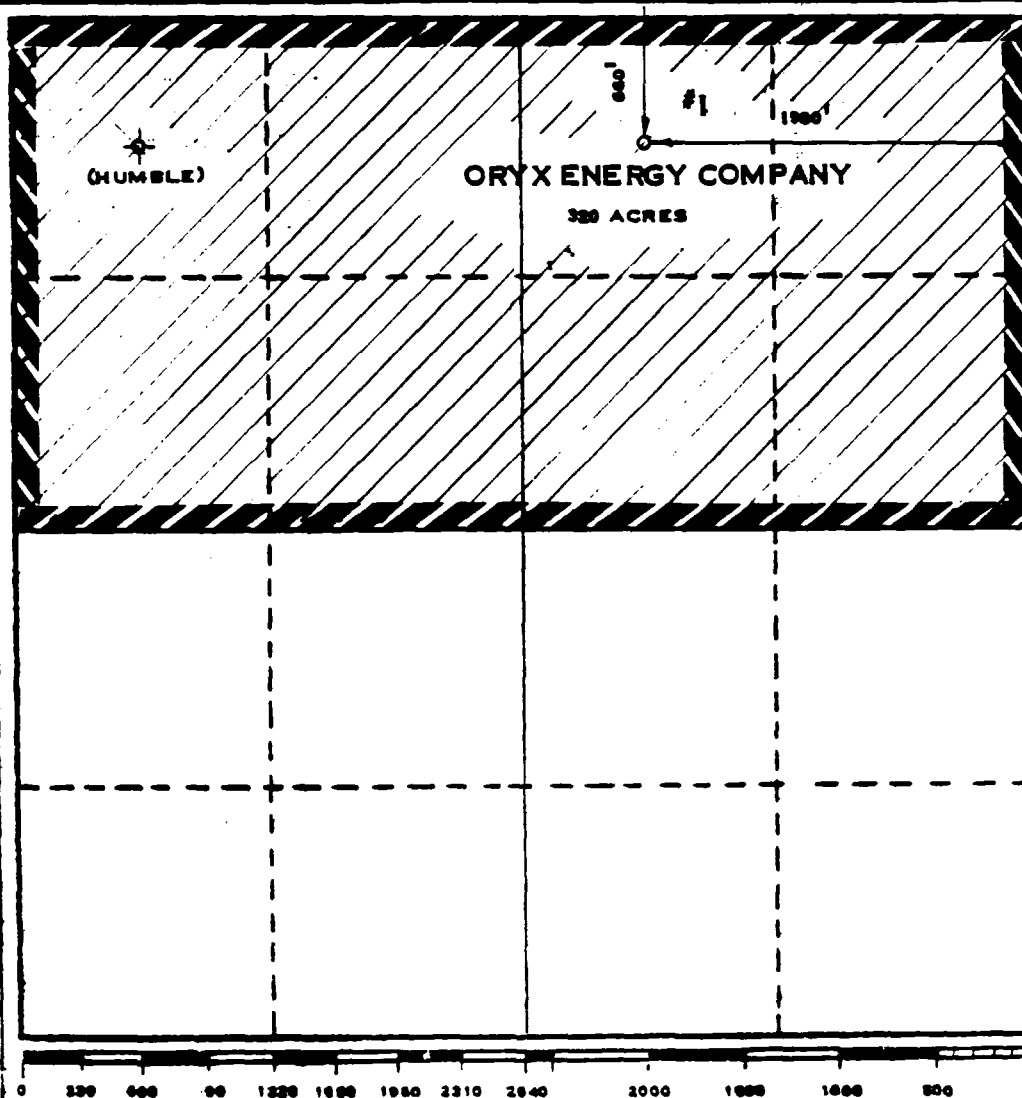
Operator <b>ORYX ENERGY COMPANY</b>			Lease <b>GRAMA RIDGE-FEDERAL</b>		Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>9</b>	Township <b>22-S</b>	Range <b>34-E</b>	County <b>LEA</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span>660 feet from the <b>NORTH</b> line and</span> <span>1980 feet from the <b>EAST</b> line</span> </div>					
Ground Level Elev. <b>3600</b>	Producing Formation <b>MORROW</b>		Pool <b>GRAMA RIDGE - Morrow Gas</b>		Dedicated Acreage <b>320</b> Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☐ Yes   ☐ No   If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Maria L. Perez*

Name  
**Maria L. Perez**

Position  
**Accountant**

Company  
**Oryx Energy Company**

Date  
**8-22-89**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**AUGUST 18, 1989**

Registered Professional Engineer and Land Surveyor  
*Max A. Schumann Jr.*  
**MAX A. SCHUMANN JR.**

Certificate No. **1510**



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

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

No. 1-90

MEMORANDUM

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TO: All Operators

FROM: William J. LeMay, Director *WJL*

SUBJECT: Administrative Applications for Unorthodox Locations

DATE: March 21, 1990

Division Memorandum No. 3-89, dated March 24, 1989, advised the industry that the OCD would no longer automatically approve unopposed unorthodox location applications. Unorthodox locations can be approved administratively in accordance with the Rules and Regulations or applicable special pool rules if surface conditions truly prevent the use of a legal location and if directional drilling to a legal location is not feasible.

Topographic conditions which will be considered to justify an unorthodox location include such traditional factors as terrain features (steep slopes, arroyos, etc.) which make drilling impractical. In addition, approval may be given to avoid archeological sites which may not be disturbed without substantial mitigation, incompatible surface uses such as buildings, recreation areas, etc. Applications should fully document the reason an unorthodox location is required.

The attached guidelines state the minimum information which should be submitted with applications for administrative approval of unorthodox locations. Failure to provide the necessary information will probably result in processing delays.

If the surface of the proration unit or proposed drill site is controlled by a Federal Surface Management Agency, a copy of the application must be sent to the appropriate agency office.

If there are legal locations within the proration unit which are drillable, but the operator chooses not to drill those locations for geological reasons the application cannot be approved administratively and a hearing will be required.



## NEW MEXICO OIL CONSERVATION DIVISION

### SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted.
- II. Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
  - A. This information may be shown on the topo map if it does not impair the readability of the map.
  - B. The operator should certify that the information is current and correct.
- IV. Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):
  - A. The proposed well location and proration unit;
  - B. An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
  - C. The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be used to drill the proposed well;
- V. An enlargement of the topo map showing the subject area with the applicable additional information:
  - A. Terrain features not shown on the map which make an orthodox location unusable;
  - B. Proposed access roads and pipelines if they affect the location selection;
  - C. The location of any surface uses which prevent use of a legal location;

- D. The location of any archeological sites identified in the archeological survey;
  - E. The location and nature of any other surface conditions which prevent the use of an orthodox location.
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified.
- VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo.
- VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible.
- IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.

**GRAMA RIDGE-MORROW GAS POOL**  
(Redefined and Rules Rescinded)  
Lea County, New Mexico

Order No. R-5995, Redefining Pool and Rescinding the Operating Rules Adopted for the Grama Ridge-Morrow Gas Pool, Lea County, New Mexico, May 2, 1979, as Amended by Order No. R-6050, July 17, 1979.

Application of Llano, Inc. for Rescission of Pool Rules, Lea County, New Mexico.

CASE NO. 6496  
Order No. R-5995

**ORDER OF THE DIVISION**

BY THE DIVISION: This cause came on for hearing at 9 a.m. on March 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of May, 1979, 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 the applicant, Llano Inc., is the owner of five wells in the Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

(3) That said pool was created and defined by Division Order No. R-3006 on December 3, 1965, comprising all of Sections 3 and 4, Township 22 South, Range 34 East, NMPM, and made subject to the special pool rules promulgated by said order, which include a provision for 640-acre spacing and proration units, with well locations prescribed as being no closer than 1650 feet to the outer boundary of the unit and no closer than 330 feet to any quarter-quarter section line.

(4) That said pool was extended by Order No. R-3080, effective July 1, 1966, to include all of Section 34, Township 21 South, Range 34 East, NMPM; by Order No. R-3152, effective December 1, 1966, to include all of Section 10, Township 22 South, Range 34 East, NMPM; by Order No. R-3195, effective March 1, 1967, to include all of Section 33, Township 21 South, Range 34 East, NMPM; and by Order No. R-5729, effective June 1, 1978, to include all of Section 2, Township 22 South, Range 34 East, NMPM.

(5) That the applicant seeks the rescission of the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool to provide that said pool would be governed by the 320-acre spacing and acreage dedication requirements and well location requirements of Rule 104 of the Division Rules and Regulations.

(6) That the evidence in this case indicates that the five Morrow gas wells owned by the applicant, namely the Grama Ridge Unit Wells Nos. 2 and 3, located in Sections 34 and 33, respectively, of Township 21 South, Range 34 East, NMPM, and Grama Ridge Unit Wells Nos. 1 and 4, and Government "A" Well No. 1, located in Sections 3, 4, and 10, respectively, of Township 22 South, Range 34 East, NMPM, are all located within an upthrust fault block bounded on the west by a northeast-southwest trending fault and on the east by a north-south trending fault, and that they are not in communication with other wells recently drilled in the area, namely the POGO State L-922 Well No. 2 located in Section 28, or the Getty 35 State Well No. 1 located in Section 35, both in Township 21 South, Range 34 East, NMPM, or the Getty 2 State Well No. 1 located in Section 2, Township 22 South, Range 34 East, NMPM.

(7) That the evidence in this case indicates that the horizontal limits of the Grama Ridge-Morrow Gas Pool, as heretofore defined, are excessive and contain lands which are not producible by wells completed within said pool.

(8) That the horizontal limits of the pool should be contracted to approximately the known productive limits of the above-described fault block, and the pool should be redefined as comprising the following-described lands:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 33: E/2  
Section 34: W/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 3: W/2  
Section 4: All  
Section 10: W/2

(9) That the applicant has established that the drainage characteristics of the reservoir in the wells completed within the aforesaid fault block are not such as to support 640-acre spacing, and that 320-acre spacing is more appropriate for the Morrow wells completed therein.

(10) That the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool, as promulgated by Division Order No. R-3006, should be rescinded, and the pool, as hereinabove redefined, should be spaced, drilled, operated, and produced in accordance with Rule 104 of the Division Rules and Regulations and with such other Division rules and orders as may be applicable.

*Statewide Rule 104*  
*Gas well below WC at 5000'*  
*320 acre proration unit*  
*660' nearest side boundary - short side*  
*1980' " " " " - long side*  
*330' " " 1/4-1/4 sec line*

*320 acre*  
*N 1/2 of Sec*  
*640 acre*  
*same, out*  
*of sec 9*  
*per Shelly*  
*June*



**(GRAMA RIDGE-MORROW GAS (REDEFINED AND RULES RESCINDED) POOL - Cont'd.)**

(11) That the three recently completed wells described in Finding No. (6) above are not completed in the Grama Ridge-Morrow Gas Pool as redefined, and a separate new pool should be created and defined for the POGO well located in Section 28, and a separate new pool should be created for each or both of the Getty wells located in Sections 35 and 2.

(12) That the owner of the aforesaid wells in said Sections 35 and 2 should be given a reasonable period of time in which to apply to the Division for a hearing to consider the creation of a new pool for said wells, and the promulgation of special rules therefor, if said owner wishes to pursue spacing and proration units of other than 320 acres, and 30 days after the entry of this order is a reasonable period of time for such purpose.

(13) That during such 30-day period, and during the time an application for other than 320-acre spacing has been filed, and a hearing, or an order following hearing, is pending, the following described lands should be placed on temporary 640-acre spacing for the Morrow formation, and no Morrow gas well drilling permits should be approved for said lands unless such permits are for wells to which 640-acres (being a single governmental section) is dedicated and which are located at least 1650 feet from the outer boundary of the unit and at least 330 feet from any quarter-quarter section line, or unless an exception to the provisions of this finding and the derivative order therefrom has been obtained after notice and hearing; the lands are:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 26: All

Section 34: E/2

Sections 35 and 36: All

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Sections 1 and 2: All

Section 3: E/2

Section 10: E/2

Sections 11 and 12: All

(14) That in the event the owner of the wells in Sections 35, Township 21 South, Range 34 East, NMPM, and 2, Township 22 South, Range 34 East, NMPM, has not filed an application for creation of a new pool for said wells and the promulgation of special rules for said pool, including a provision for other than 320-acre spacing, within the above-described 30-day period, or in the event that spacing and proration units of other than 320 acres are denied, then all the lands described in Finding No. (13) above should be governed by the provisions of Rule 104 of the Division Rules and Regulations.

(15) That an order based on the above findings is in the interest of conservation and will prevent waste and protect correlative rights and should be approved.

**IT IS THEREFORE ORDERED:**

(1) That the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified and defined, is hereby redefined to include only the following described lands:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 33: E/2

Section 34: W/2

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 3: W/2

Section 4: All

Section 10: W/2

(2) That the Special Rules and Regulations for the Grama Ridge-Morrow Gas Pool, as promulgated by Division Order No. R-3006, are hereby rescinded, and said pool shall hereafter be spaced, drilled, operated, and produced in accordance with Rule 104 of the Division Rules and Regulations and with such other Division rules and orders as may be applicable.

(3) (Rescinded by Order No. R-6050, July 17, 1979) That the Morrow formation underlying all of Section 26, the E/2 of Section 34, and all of Sections 35 and 36, Township 21 South, Range 34 East, NMPM, and all of Sections 1 and 2, the E/2 of Section 3, the E/2 of Section 10, and all of Sections 11 and 12, Township 22 South, Range 34 East, NMPM, are hereby placed on temporary 640-acre spacing, and no drilling permit shall be approved for any Morrow Gas well proposed to be drilled on said lands unless such permit is for a well to which 640 acres (being a single governmental section) is dedicated and which is located at least 1650 feet from the outer boundary of the unit and at least 330 feet from any quarter-quarter section line, or unless an exception to the provisions of this Order No. (3) has been obtained after notice and hearing.

(4) That the provisions of Order No. (3) above shall be in force for a period of 30 days after the date of entry of this order, or provided Getty Oil Company has filed an application for creation of a new gas pool within the lands described in Order No. (3) above and for the promulgation of special rules for such new pool, including a provision for other than 320-acre spacing, for so long thereafter as a hearing, or an order following a hearing, is pending.

(5) That upon expiration of the acreage dedication and well location requirements provisions of Order No. (3) above, and in the absence of special pool rules to the contrary, all Morrow gas wells completed on the lands described in Order No. (3) above shall be spaced, drilled, operated, and produced in accordance with the provisions of Rule 104 of the Division Rules and Regulations.

(6) 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.