

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

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

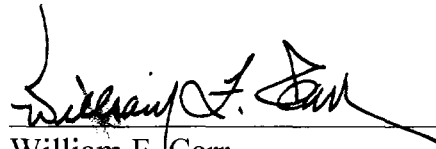
IN THE MATTER OF THE APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR CLARIFICATION, OR IN THE ALTERNATIVE
AN EXCEPTION TO THE SPECIAL POOL RULES
AND REGULATIONS FOR THE CATCLAW
DRAW-MORROW GAS POOL,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11868

AFFIDAVIT

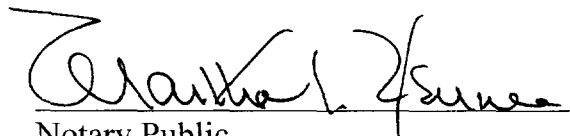
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Texaco Exploration and Production Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of the New Mexico Oil Conservation Division, the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 29th day of October, 1997.



Notary Public

My Commission Expires: August 19, 1999

EXHIBIT A

Matador Petroleum Corporation
8340 Meadow Road
Dallas, TX 75231-3751

Holly Petroleum
100 Crescent Court, Suite 1600
Dallas, TX 75201

ICA Energy, Inc.
Post Office Box 233
Odessa, TX 79760-0233

Mewbourne Oil Company
Post Office Box 7698
Tyler, TX 75711

Chevron USA Inc.
Post Office Box 1150
Midland, TX 79702

Bureau of Land Management
Post Office Box 27115
Santa Fe, New Mexico 87502-0115

David Fasken and
Fasken Land & Minerals, Ltd.
303 W. Wall Ave., Suite 1900
Midland, TX 79701

Union Oil Company of California
Post Office Box 3100
Midland, TX 79702

Penwell Energy Corporation
600 N. Marienfeld
Midland, TX 79701

Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Hallwood Petroleum, Inc.
Post Office Box 378111
Denver, CO 80237

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver, CO 80202

State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Brooks Oil & Gas Interests
Post Office Box 225976
Dallas, TX 75222

Dalton Kincheloe
859 Petroleum Building
Roswell, NM 88201

Roy L. McKay
Post Office Box 2014
Roswell, NM 88202

Hanesco, Inc.
Post Office Box 182
Roswell, NM 88202

Robert H. Hannifin
Post Office Box 218
Midland, TX 79702

Greenwade Oil Ltd.
Post Office Box 1675
Roswell, NM 88202

Barbara E. Hannifin
Post Office Box 2588
Roswell, NM 88202

Ralph Nix, a Partnership
Post Office Box 440
Artesia, NM 88211-0440

McKay Oil Corp.
Post Office Box 2014
Roswell, NM 88202

Adobe Resources 12-1
Post Office Box 20581
Albuquerque, NM 87154

Yates Drilling Company
ABO Petroleum Corporation
Myco Industries, Inc.
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

and I further certify that on the 13th day of
October, 1997 additional notice was
provided to the following named
individuals:

Robert L. Haynie
5655 S. Yosemite, #106
Englewood, CO 80111

Len Mayer
1640 S. Quebec Way, Apt. 107
Denver, CO 80231

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

October 13, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS

Re: *Application of Texaco Exploration and Production Inc. for Clarification, or in the Alternative an Exception to the Special Pool Rules and Regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico*

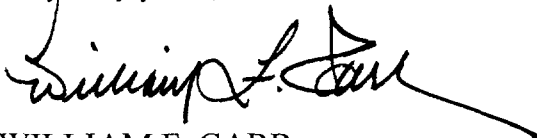
Gentlemen:

This letter is to advise you that Texaco Exploration and Production Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. You are the owner of an interest that may be affected by this application.

This matter has been set for hearing on the New Mexico Oil Conservation Commission's docket on October 30, 1997. You are not required to attend this hearing but you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Pre-Hearing Statement substantially in the form prescribed in the Division. Pre-Hearing Statements should be filed by 4:00 p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.

WFC:mlh

Enc.



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Robert L. Haynie
5655 S. Yosemite, #106
Englewood, CO 80111

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>October 13, 1997</i>	

1661 June 1980 PS Form 3811

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Robert L. Haynie 5655 S. Yosemite, #106 Englewood, CO 80111		4a. Article Number P 087 497 271	
5. Received By: (Print Name) <i>Robert L. Haynie</i>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) <i>Robert L. Haynie</i> X		7. Date of Delivery <i>10-16-97</i>	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt	

Thank you for using Return Receipt Service.

P 087 497 270



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Len Mayer
1640 S. Quebec Way, Apt. 107
Denver, CO 80231

PS Form 3800, June 1991

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>October 13, 1997</i>	

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

October 9, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS

Re: *Application of Texaco Exploration and Production Inc. for Clarification, or in the Alternative an Exception to the Special Pool Rules and Regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico*

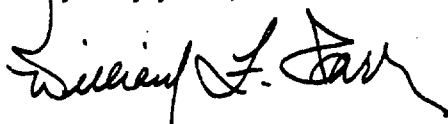
Gentlemen:

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This matter has been set for hearing on the New Mexico Oil Conservation Commission's docket on October 30, 1997. You are not required to attend this hearing but you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

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Very truly yours,



WILLIAM F. CARR

ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.

WFC:mlh

Enc.

260

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Matador Petroleum Corporation
8340 Meadow Road
Dallas, TX 75231-3751

4a. Article Number

P 087 497 246

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-14-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 246



Receipt for Certified Mail

No Insurance Coverage Provided

Matador Petroleum Corporation
8340 Meadow Road
Dallas, TX 75231-3751

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Holly Petroleum
100 Crescent Court, Suite 1600
Dallas, TX 75201

4a. Article Number

P 087 497 247

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-14-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 247



Receipt for Certified Mail

No Insurance Coverage Provided

Holly Petroleum
100 Crescent Court, Suite 1600
Dallas, TX 75201

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

ICA Energy, Inc.
Post Office Box 233
Odessa, TX 79760-0233

4a. Article Number

P 087 497 248

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery**5. Received By: (Print Name)**

6. Signature of Addressee or Agent
X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 248



**Receipt for
Certified Mail**

No Insurance Coverage Provided

ICA Energy, Inc.
Post Office Box 233
Odessa, TX 79760-0233

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3811, June 1994

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I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Mewbourne Oil Company
Post Office Box 7698
Tyler, TX 75711

4a. Article Number

P 087 497 249

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-14-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 249



Receipt for Certified Mail

No Insurance Coverage Provided

Mewbourne Oil Company
Post Office Box 7698
Tyler, TX 75711

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.81

Postmark or Date

OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Chevron USA Inc.
Post Office Box 1150
Midland, TX 79702

4a. Article Number

P 087 497 250

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

OCT 1

8. Addressee's Address (Only if requested and fee is paid)

OCT 1

1997

5. Received By: (Print Name)

6. Signature of Addressee or Agent

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



Chevron USA Inc.
Post Office Box 1150
Midland, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Bureau of Land Management
Post Office Box 27115
Santa Fe, New Mexico 87502-0115

4a. Article Number

P 087 497 251

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

5. Received By: (Print Name)

TONY

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

8. Addressee's Address (Only if requested and fee is paid)

P 087 497 251



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Bureau of Land Management
Post Office Box 27115
Santa Fe, New Mexico 87502-0115

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800 June 1991

Thank you for using Return Receipt Service.



David Fasken and
Fasken Land & Minerals, Ltd.
303 W. Wall Ave., Suite 1900
Midland, TX 79701

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date OCT - 9 1997	

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

<p>SENDER:</p> <ul style="list-style-type: none"> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered. 		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>David Fasken and Fasken Land & Minerals, Ltd. 303 W. Wall Ave., Suite 1900 Midland, TX 79701</p>		<p>4a. Article Number P 087 497 252</p>	
<p>5. Received By: (Print Name)</p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p>	
<p>6. Signature: (Addressee or Agent)</p> <p>X <i>[Signature]</i></p>		<p>7. Date of Delivery 10-14-97 SN</p>	
<p>PS Form 3811, December 1994</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	

Domestic Return Receipt

Thank you for using Return Receipt Service.

267

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Union Oil Company of California
Post Office Box 3100
Midland, TX 79702

4a. Article Number

P 087 497 253

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ Insured
- ☐ COD

7. Date of Delivery OCT 14 1997

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 253



Receipt for Certified Mail

No Insurance Coverage Provided

Union Oil Company of California
Post Office Box 3100
Midland, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.10
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991



Penwell Energy Corporation
600 N. Marienfeld
Midland, TX 79701

PS Form 3800, June 1991

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date OCT - 9 1997	

Is your **RETURN ADDRESS** completed on the reverse side?

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3. Article Addressed to: Penwell Energy Corporation 600 N. Marienfeld Midland, TX 79701		4a. Article Number P 087 497 254	
5. Received By: (Print Name) [Signature]		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) [Signature]		7. Date of Delivery 10/14	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt	

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

4a. Article Number

P 087 497 255

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-14-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

[Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 255



Receipt for Certified Mail

No Insurance Coverage Provided

Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

270

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Hallwood Petroleum, Inc.
Post Office Box 378111
Denver, CO 80237

4a. Article Number

P 087 497 256

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

PS Form 3811, December 1994

P 087 497 256



Receipt for Certified Mail

No Insurance Coverage Provided

Hallwood Petroleum, Inc.
Post Office Box 378111
Denver, CO 80237

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

POST OFFICE BOX 2208
DENVER, CO 80202
OCT 9 1997

CERTIFIED

P 087 497 257

MAIL

SEP 22 02:34 10-13-97

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver, CO 80202

P 087 497 257



Receipt for
Certified Mail

No Insurance Coverage Provided

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver, CO 80202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date OCT - 9 1997	

PS Form 3800, June 1991

272

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

- I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

4a. Article Number

P 087 497 258

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

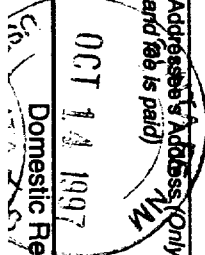
5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994



P 087 497 258



Receipt for Certified Mail

No Insurance Coverage Provided

State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

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- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Brooks Oil & Gas Interests
Post Office Box 225976
Dallas, TX 75222

4a. Article Number

P 087 497 259

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

OCT 11 1997

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

[Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 259



Receipt for Certified Mail

No Insurance Coverage

Brooks Oil & Gas Interests
Post Office Box 225976
Dallas, TX 75222

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	
OCT - 9 1997	

PS Form 3800, June 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Dalton Kincheloe
859 Petroleum Building
Roswell, NM 88201

4a. Article Number

P 087 497 260

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-11-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: Addressee or Agent

X

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 260



Receipt for Certified Mail

No Insurance Coverage Provided

Dalton Kincheloe
859 Petroleum Building
Roswell, NM 88201

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Roy L. McKay
Post Office Box 2014
Roswell, NM 88202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Roy L. McKay Post Office Box 2014 Roswell, NM 88202		4a. Article Number P 087 497 261	
5. Received by (Print Name) <i>Michael Beck</i>		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature (Addressee or Agent) <i>X Michael Beck</i>		7. Date of Delivery <i>10-14-97</i>	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid)	
Domestic Return Receipt			

Thank you for using Return Receipt Service.



P 087 497 262

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Hanesco, Inc.
Post Office Box 182
Roswell, NM 88202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return the card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Hanesco, Inc. Post Office Box 182 Roswell, NM 88202		4a. Article Number P 087 497 262	
5. Received By: (Print Name)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee if possible) X <i>[Signature]</i>		7. Date of Delivery	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt	

Thank you for using Return Receipt Service.

211



P 087 497 263

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Robert H. Hannifin
Post Office Box 218
Midland, TX 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

1661 June 3800, June PS Form

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Robert H. Hannifin Post Office Box 218 Midland, TX 79702		4a. Article Number P 087 497 263	
5. Received By: (Print Name) Robert H. Hannifin		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature: (Addressee or Agent) X Robert H. Hannifin		7. Date of Delivery 10-14-97	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Midland, TX 79702	

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Greenwade Oil Ltd.
Post Office Box 1675
Roswell, NM 88202

4a. Article Number

P 087 497 264

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-14-97

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

X *[Signature]*

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 264



Receipt for Certified Mail

No Insurance Coverage Provided

Greenwade Oil Ltd.
Post Office Box 1675
Roswell, NM 88202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	
OCT - 9 1997	

PS Form 3800, June 1991

P 087 497 265



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Barbara E. Hannifin
Post Office Box 2588
Roswell, NM 88202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.50
Postmark or Date OCT - 9 1997	

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Barbara E. Hannifin
Post Office Box 2588
Roswell, NM 88202

5. Received By: (Print Name)

6. Signature: *Barbara E. Hannifin*

4a. Article Number

4b. Service Type
☐ Registered
☐ Express Mail
☒ Certified
☐ Insured
☐ Return Receipt for Merchandise
☐ COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

1. ☐ Addressee's Address
 2. ☐ Restricted Delivery
 Consult postmaster for fee.

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Ralph Nix, a Partnership
Post Office Box 440
Artesia, NM 88211-0440

4a. Article Number

P 087 497 266

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

10-14-97

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

Ralph Nix JR

6. Signature: (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt



Ralph Nix, a Partnership
Post Office Box 440
Artesia, NM 88211-0440

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Thank you for using Return Receipt Service.



Receipt for Certified Mail

No Insurance Coverage Provided

McKay Oil Corp.
Post Office Box 2014
Roswell, NM 88202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: McKay Oil Corp. Post Office Box 2014 Roswell, NM 88202		4a. Article Number P 087 497 267	
5. Received By: (Print Name) <i>Michael P. Beach</i>		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature (Addressee or Agent) <i>X McKay Beach</i>		7. Date of Delivery <i>10-14-97</i>	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid) Domestic Return Receipt	

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.
LAWYERS
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

CERTIFIED

P 087 497 268

MAIL

Adobe Resources 12-1
Post Office Box 20581
Albuquerque, NM 87154

OCT 14 1997

P 087 497 268



**Receipt for
Certified Mail**

No Insurance Coverage Provided

Adobe Resources 12-1
Post Office Box 20581
Albuquerque, NM 87154

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Yates Drilling Company
ABO Petroleum Corporation
Myco Industries, Inc.
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

4a. Article Number

P 087 497 269

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

10-13-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: Addressee or Agent

[Signature]

PS Form 3811 December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 087 497 269



Receipt for Certified Mail

No Insurance Coverage Provided

Yates Drilling Company
ABO Petroleum Corporation
Myco Industries, Inc.
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	OCT - 9 1997

PS Form 3800, June 1991

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

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION AND A NON-
STANDARD GAS PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.**

**DE NOVO
CASE NO. 11723**

**APPLICATION OF FASKEN OIL AND
RANCH, LTD. FOR A NON-STANDARD
GAS PRORATION AND SPACING
UNIT AND AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.**

**DE NOVO
CASE NO. 11755**

**APPLICATION OF TEXACO EXPLOR-
ATION AND PRODUCTION INC. FOR
CLARIFICATION, OR IN THE ALTER-
NATIVE, AN EXCEPTION TO THE
SPECIAL POOL RULES AND REGULA-
TIONS FOR THE CATCLAW DRAW-
MORROW GAS POOL, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 11868

ORDER NO. R-10872-B

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 30, 1997 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of December, 1997, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

CASE NO. 11723 - De Novo

CASE NO. 11755 - De Novo

CASE NO. 11868

Order No. R-10872-B

Page -2-

(2) In Case 11723, Mewbourne Oil Company ("Mewbourne") seeks approval of a non-standard 297.88 acre gas spacing and proration unit in the Catclaw Draw-Morrow Gas Pool comprised of Lots 29-32 and the SW/4 (S/2 equivalent) of Section 1, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 2310 feet from the East line (Unit W) of Section 1.

(3) In Case 11755, Fasken Oil and Ranch, Ltd. ("Fasken") seeks approval of the above-described non-standard gas spacing and proration unit, for a well to be drilled at an unorthodox gas well location 2080 feet from the South line and 750 feet from the West line (Unit T) of Section 1.

(4) In Case 11868, Texaco Exploration and Production Inc. ("Texaco") seeks clarification of the rules for the Catclaw Draw-Morrow Gas Pool regarding second wells on gas proration units in the Catclaw Draw-Morrow Gas Pool, or in the alternative, an exception to Division rules for its E. J. Levers "NCT-1" Well Nos. 1 and 2, located in Units N and F, respectively, of Section 12, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico to allow both wells to produce simultaneously.

(5) At the time of the hearing, Case Nos. 11723 (de novo); 11755 (de novo) and 11868 were consolidated for the purpose of presenting testimony. Since these cases involve the same acreage and subject matter, one order should be entered for all three.

(6) Sections 1 and 12 are within the Catclaw Draw-Morrow Gas Pool, a pool created in 1971 and prorated in 1974 by Order No. R-4707. The pool is governed by Special Pool Rules and Regulations adopted by Order No. R-4157 that requires 640 acre units, with wells to be no closer than 1650 feet to the unit's outer boundary and no closer than 330 feet to a quarter-quarter section line. Prorationing in the pool was suspended by Commission Order No. R-10328, dated March 27, 1995, and wells in the pool are allowed to produce at capacity.

(7) Order No. R-4157-D dated August 26, 1981, found that wells in the Catclaw Draw-Morrow Gas Pool were only capable of draining 320 acres, and the pool has been effectively developed on 320-acre spacing.

(8) In suspending prorationing in the Catclaw Draw-Morrow Gas Pool, the Commission only suspended the assignment of allowables to the wells. All other rules, regulations and policies governing this pool, including authorization for a second well on each 640-acre spacing unit in the Catclaw Draw-Morrow Gas Pool, remain in effect.

(9) Section 1 is comprised of 863.62 acres. The middle one-third of the section is federal land which is unleased due to a federal environmental wildlife study and cannot be included in the well unit. As a result, approval of the non-standard gas spacing and proration unit is proper and necessary to prevent waste, and should be approved.

(10) All working interest owners in the S/2 of Section 1 are subject to an A.A.P.L. Model Form Operating Agreement - 1956, dated April 1, 1970 ("Operating Agreement"). Mewbourne is the largest working interest owner in the S/2 of Section 1 containing 297.88 acres. Summary of unit ownership is as follows:

Mewbourne Oil Company	43.29470%
Fasken Land and Minerals, Ltd.	30.95951%
Matador Petroleum Corporation	17.93116%
Devon Energy Corporation	<u>7.81463%</u>
	100.00000%

- (11) Mewbourne presented geologic and engineering evidence which showed that:
- (a) The primary objective of both the Fasken and Mewbourne proposed locations in Section 1 is the Morrow Zone.
 - (b) The primary Morrow Zone is the Middle Morrow, the main producing zone in Texaco's Levers Well No. 2. A net isopach of the Middle Morrow pay sand trends in a north/northeast - south/southwest direction.
 - (c) Mewbourne's proposed location is located within the same producing pod as the Texaco Levers Well No. 2.
 - (d) Although there is evidence of faulting in the Morrow, it does not adversely affect Middle Morrow gas production.
 - (e) Development of the pool occurred primarily in the early 1970's and early 1980's. The Texaco Levers Well No. 2, in Unit F of Section 12, was completed on January 13, 1996, and has produced 2.2 billion cubic feet of gas from the Middle Morrow at rates averaging 4 million cubic feet of gas per day.
 - (f) There is no commercial Morrow production in the Catclaw Draw-Morrow Gas Pool north of Texaco's Levers Well No. 2.

- (g) Drilling as close to commercial production as possible reduces dry holes risk and is the main reason for Mewbourne's request for a well location 660 feet from the South line of Section 1.

- (h) The gas in place figures for Sections 1 and 12 are calculated as follows:

	<u>Section 1</u>	<u>Section 12</u>	<u>Total</u>
1/13/96	1.80 BCF	3.95 BCF	5.75 BCF
10/1/97	1.11 BCF	2.44 BCF	3.55 BCF

- (i) Drainage is non-radial, along the trend of the Morrow reservoir. The Texaco Levers Well No. 2 is not draining from the south or southwest because of competing wells located in those directions. The Levers Well No. 2 is not draining reserves northwest of Section 12 because dry holes control limits the Middle Morrow productive limits in that direction.

- (12) Fasken presented geologic and engineering evidence which showed that:

- (a) 3-D seismic data shows a major north/south Morrow cutting fault which separates the Fasken location and Texaco wells on the west side of this fault from the Mewbourne location on the east side of this fault. Mewbourne's location is on the down thrown side of this fault.
- (b) No Morrow sands will communicate or drain across this fault.
- (c) The Mewbourne location is at a structural disadvantage in the Morrow because both the Upper and Lower Morrow sands become wet in lower structural positions.
- (d) Lower Morrow channel sands trend north-northwest to south-southwest, have a very good permeability, drain long distances, and become wet down dip.
- (e) Middle Morrow marine influenced sands trend east-northeast to west-southwest, range from very good to very poor permeability, do not correlate in a north-south direction and did not drain effectively in a north-south direction one half mile distance between the Texaco's Levers #1 and #2 wells in Section 12.

- (f) The Fasken location will be higher and closer to the Conoco Levers #2 well in Section 2 which had a good gas show (I.P. 2.90 million cubic feet of gas per day) but watered out in the Upper Morrow "A" Sand.
- (g) The Cisco has productive potential at the Fasken location because the 3-D seismic shows a time structure with closure, an isochron thin from the 3rd Bone Springs sand to the top of the Cisco and an isochron thick from the top of the Cisco to the Middle Morrow Shale. However, the chances of success in the Cisco are 10% at best.
- (h) In order to minimize the risk involved, it is necessary to drill a well at a location in this spacing unit which can test for both Cisco and Morrow gas production.

(13) Texaco presented geological interpretations based exclusively on subsurface geology which demonstrated that:

- (a) using the same data used by Mewbourne, Texaco contended that the "green" (Middle Morrow) sand being produced in the Texaco Levers Well No. 2 was oriented such that the Fasken location was substantially better than the Mewbourne location.
- (b) if the Mewbourne location was approved, then a substantial penalty was necessary in order to keep the Mewbourne well from draining gas reserves to which it was not entitled.
- (c) Texaco recommended that the Mewbourne location be denied, but if approved, that it be subject to a 81.4% production penalty.

(14) The Mewbourne location has a higher probability of success in the Middle Morrow because of its close proximity to the Texaco Levers Well No. 2 and the north-south interpretation of the Middle Morrow Sand trend has a higher geologic probability than the alternative interpretations. Also, the proposed Fasken location has less of an opportunity to produce from the Middle Morrow than the proposed Mewbourne location and only a 10% chance of producing from Cisco formation.

(15) The Commission favors the Mewbourne proposal because in addition to the higher probability of commercial success in the Middle Morrow, Mewbourne has the largest interest in the proration unit and was the moving force in proposing a well in the S/2 of Section 1.

(16) The Mewbourne location should be penalized, however, so as not to gain an unfair competitive advantage in the reservoir. Said penalty should ignore acreage considerations because the Catclaw Draw-Morrow Gas Pool has effectively been developed on 320 acres. Said penalty should be based upon a variance from the standard pool rules set back being:

$$\frac{\text{North-South Variance}}{\text{North-South Standard}} = \text{Variance Factor}$$

$$\text{Variance Factor} = \frac{1650 - 660}{1650} = 0.60 = 60\%$$

The allowable should therefore be 40% of the productive capability of the well as measured by semiannual tests into the pipeline. Said allowable should not be less than 1 million cubic feet of gas per day, which is herein defined as the economic limit imposed on said well.

(17) In the event Mewbourne does not drill its location, Fasken should be given the opportunity to drill its location.

(18) The Commission finds that it is not necessary to grant Texaco's request for an exception to the Catclaw Draw-Morrow Gas Pool Rules, because Texaco is not in violation of those rules for the following reasons:

- (a) The Commission has the authority to adopt rules and regulations and to issue orders and to interpret those orders and rules. In addition, the Commission has continuing jurisdiction over all of its orders and rules.
- (b) On August 26, 1981, the Division issued Order No. R-4157-D which rescinded Orders R-4157, R-4157-A, R-4157-B and R-4157-C and adopted rules for this pool including:
 - Rule 5(A): 640-acre gas spacing units.
 - Rule 2(A): Initial well to be drilled not closer than 1650 feet to an outer boundary.
 - Rule 2(B): Authorizing the drilling of a second well in a 640-acre spacing unit provided that well also was not closer than 1650 feet to the outer boundary. (an "Infill well").

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- (c) Although gas prorationing was suspended in the Catclaw Draw-Morrow Gas Pool by Division Order No. R-10328, issued by the Commission is Case No. 11211 on March 27, 1995, that order did not rescind Order No. R-4157-D.
- (d) Rule 2(B) of the special pool rules for Catclaw Draw-Morrow Gas Pool is still in full force and effect and has been since made effective on September 1, 1981.
- (e) Texaco's E. J. Levers Federal "NCT-1" Well No. 2 was drilled in compliance with Division rules, therefore it is not necessary to (a) grant simultaneous dedication for wells in this pool, or (b) grant an exception from these rules for its E. J. Levers Federal "NCT-1" Wells No. 1 and 2 located in Section 12, Township 21 South, Range 25 East, Eddy County, New Mexico.
- (f) It is not necessary to grant an exception from these rules for its E. J. Levers Federal "NCT-1" Wells No. 1 and 2 located in Section 12, Township 21 South, Range 25 East, Eddy County, New Mexico.

(19) Mewbourne's request for a declaration that all gas production from Texaco's E. J. Levers Federal "NCT-1" Well No. 2 be declared "illegal gas" should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The requests of both Fasken Land and Minerals, Ltd. and Fasken Oil and Ranch, Ltd. ("Fasken"), as the applicant in Case No. 11755 and Mewbourne Oil Company ("Mewbourne"), as the applicant in Case 11723, to establish a non-standard 297.88-acre gas spacing and proration unit for the Catclaw Draw-Morrow Gas Pool comprised of Lots 29, 30, 31 and 32 and the SW/4 (S/2 equivalent) of Irregular Section 1, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, is hereby approved.

(2) Mewbourne's proposed unorthodox Morrow gas well location for said 297.88-acre unit being 660 feet from the South line and 2310 feet from East line (Lot 31/Unit W) of said Irregular Section 1 is hereby approved with a 60% penalty factor (40% allowable) assessed against the well's ability to produce into a pipeline and measured and adjusted semi annually and witnessed by OCD District personnel and representatives of Texaco. Said allowable shall have a lower limit of 1 million cubic feet of gas per day.

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(3) In the event Mewbourne does not begin drilling the well approved in paragraph 2, by April 1, 1998, Mewbourne's application is denied and Fasken's application for an unorthodox Morrow and Cisco gas well location for said 297.88-acre unit being 2080 feet from the South line and 750 feet from the West line (Unit L) of Irregular Section 1 is hereby approved without penalty. In the event the Mewbourne well is drilled, the Fasken application is hereby denied.


(4) In suspending prorationing in the Catclaw Draw-Morrow Gas Pool, the Commission only suspended the assignment of allowables to the wells. Therefore, all other rules, regulations and policies governing the pool, including authorization for a second well on each spacing or proration unit in the Catclaw Draw-Morrow Gas Pool, remain in effect. Accordingly, the application of Texaco Exploration and Production Inc. for an exception to the Special Pool Rules and Regulations for the Catclaw Draw-Morrow Gas Pool to permit it to continuously and concurrently produce its E. J. Levers Federal "NCT-1" Wells Nos. 1 and 2 on standard 632.36 acre gas spacing unit comprised on Section 12, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico is dismissed for no exception to the current rules is needed.


(5) Mewbourne's request for a declaration that all gas production from Texaco Exploration and Production, Inc. ("Texaco") E. J. Levers Federal "NCT-1" Well No. 2 be declared "illegal gas" is hereby denied.

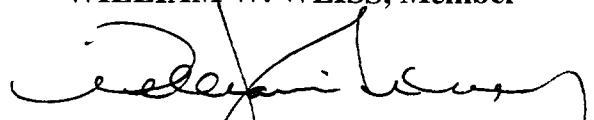
(6) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JAMI BAILEY, Member


WILLIAM W. WEISS, Member


WILLIAM J. LEMAY, Chairman



S E A L

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

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October 31, 1997

Mr. William J. LeMay, Chairman
New Mexico Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87502

Mrs. Jami Bailey
Office of Commissioner of Public Lands
State Land Office Building
310 Old Santa Trail
Santa Fe, New Mexico 87501

Mr. William Weiss
New Mexico Petroleum Recovery
Research Center, Kelly Building
New Mexico Tech Campus
Socorro, New Mexico 87801

Re: Amendment of Rule No. 1105.C
Burlington Resources Oil & Gas Company, Applicant

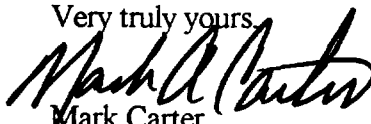
Ladies and Gentlemen:

A hearing before the New Mexico Oil Conservation Commission was held on September 24, 1997, to consider the application of Burlington Resources Oil and Gas Company regarding an amendment to Division Rule 1105.C. The proposed amendment would allow parties to administratively request, and the Director to grant, up to three (3) consecutive ninety (90) day extensions of the confidentiality period associated with data and information submitted by parties appearing before the Division. Bass Enterprises Production Co. opposes this application for the following reasons:

1. This amendment is overly general in that it applies to all information submitted to the Division in any manner. The amendment does not apply only to information derived from new wells.
2. This amendment will facilitate the possible drainage of tracts adjoining new wells, units, recompletions, etc. by delaying the availability of information necessary for offsetting owners to protect their correlative rights.
3. Rule 1105.C, as written, promotes oil and gas drilling activity in New Mexico by increasing the availability of data and technology to the industry. Any delay in access to said information will discourage drilling and production.

For these reasons stated above, Bass Enterprises Production Co. opposes the subject application of Burlington Resources Oil & Gas Company. Bass would be more inclined to support the amendment if the extended confidentiality period was limited to new well information only. Thank you for your consideration in this regard.

Very truly yours,


Mark Carter

MAC:ca

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cc: Tom Kellahin
117 North Guadalupe
Santa Fe, New Mexico 87504