

CASE 5426: CONTINENTAL OIL CO.
for an unorthodox gas well loca-
tion, Eddy County, New Mexico

CASE No.

5426

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 19, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil
Company for an unorthodox gas well
location, Lea County, New Mexico.

Case No.
5426

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

CASE 5426
2

I N D E X

VICTOR T. LYON

PAGE

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Nutter

7

E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.
1, 2, and 3

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7

LYON-DIRECT

CASE 5426
3

MR. NUTTER: We call the next case, No. 5426.

MR. DERRYBERRY: Case 5426. Application of Continental Oil Company for an unorthodox gas well location, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, the same appearances and the same Witness as appeared in the other case. I would like the record to reflect that Mr. Lyon is under oath and his qualifications have been accepted.

MR. NUTTER: The record will so show.
(Witness previously sworn.)

VICTOR T. LYON

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Lyon, would you please refer to what has been marked as Exhibit No. 1, identify it and state briefly what Continental is seeking?

A Exhibit No. 1 is a location of ownership plat showing the area of the Devonian A participating area of the Bell Lake Unit. The Application is for approval of a non-standard location for Bell Lake Unit No. 16, which is located 660 feet from the north line and 660 feet from

the east line of Section 7, Township 24 South, Range 34 East. Exhibit 1 shows by the dot, dash pattern the nine section area consisting of Devonian participating area A of the Bell Lake Unit which is nine sections including and surrounding Section 6, 24, 34. The dotted line shows the proposed participating area for the Morrow formation and is a nine quarter-section area including and surrounding the northwest quarter of Section 5. The wells which are circled are Morrow completions and include Well No. 1 in Unit N of Section 31, Well No. 5 in Unit G of Section 1, 24, 33, and Well No. 14 in Unit F of Section 5, 24, 34. Also shown circled in red is the location of Well No. 16, Unit A of Section 7, 24, 34.

Q What acreage do you propose to dedicate to this well?

A We propose to dedicate the north half of Section 7.

Q Please refer to what has been marked as Exhibit No. 2 and identify that.

A Exhibit No. 2 is a plat showing the same area as Exhibit No. 1 but showing the participating area for the Atoka formation, which has been established, for Well No. 4, which is shown circled in black and located in

Unit F of Section 6. Again the location of Well No. 16 is shown circled in red. I might mention that on Exhibit 1 Well No. 5 is shown as a Morrow completion. That completion has been abandoned and work is now in progress attempting to recomplete Well No. 5 in the Atoka formation. The work has progressed to the point that we have established gas present in the well but the section that is opened is producing fairly large quantities of water and remedial work is attempting to eliminate most, if not all, of that water, but the -- I might mention that fact since No. 5 is not shown to be an Atoka completion on this Exhibit.

Q Would you please refer to Exhibit No. 3 and identify it.

A Exhibit No. 3 is a structure map showing the same areas shown on Exhibits 1 and 2 and some additional area to give structural control. The contour intervals are 100 feet and the marker contoured is the fourth zone of the Morrow formation. You will note that the development in here is on a series of north-south trending anticlinal structures. Numbers 5 and 14 are both located well down structure. Number 1 is located fairly high on structure -- this is the well in 10 of 31 -- and Number 14 is likewise proposed to be -- or is located on a position that is

somewhat off the top of the structure. We believe that the Morrow formation is not necessarily related to -- that there is not a good correlation between structural position and a commercial well. It appears really that the down-structure locations might be preferred, and therefore we would like to drill No. 16 at a location which is off the ridge, off the top of the structure, and have located it in Unit A rather than in Unit B or G or H, which would be consistent with standard spacing for 320 acres. We feel that this location in Unit A offers better completion possibilities in the Morrow. The Atoka structure is very similar to this which is shown in the Morrow and the planning of a commercial well seems to be more directly related to structure in that formation, and therefore we believe that the location in Unit A gives the best shot at both formations than any other location in that area. I might point out also that the working interest ownership in the nin-section area which we have shown is by operating agreement common, and therefore there is not any problem of diverse ownership being offset by this location.

Q Were Exhibits 1, 2, and 3 prepared by you?

A Yes, they were.

LYON-DIRECT
CROSS

CASE 5426
7

Q In your opinion, Mr. Lyon, will approval of this Application be in the best interests of conservation, prevention of waste and the protection of correlative rights?

A Yes, it will.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits 1, 2, and 3.

MR. NUTTER: Exhibits 1, 2, and 3 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2, and 3 were admitted into evidence.)

MR. KELLAHIN: That concludes our examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Lyon, is the No. 4 an Atoka well only?

A No. 4 is completed only as an Atoka well. It was originally completed as a Devonian well but has been plugged back and recompleted in the Atoka.

Q So, actually on this Exhibit No. 3, you've got this structure with three Morrow wells on the flanks of the structure and you are proposing the fourth well which would be on the south flank of the structure but there isn't

any well on the top of the structure?

A That's correct. I don't recall whether No. 4 tested the Morrow; I don't recall that it did. I think that it was completed in the Atoka directly after the Devonian because the Morrow did not appear to be favorable to the logs.


MR. NUTTER: Are there any further questions of the Witness? He may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

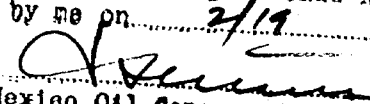
MR. NUTTER: Does anyone have anything they wish to offer in Case 5426? We will take the case under advisement.

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

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.



RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5426 heard by me on 2/19, 1975.

_____, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

March 11, 1975

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
PHIL R. LUCERO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY — DIRECTOR

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5426
ORDER NO. R-4975

Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5426
Order No. R-4975

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

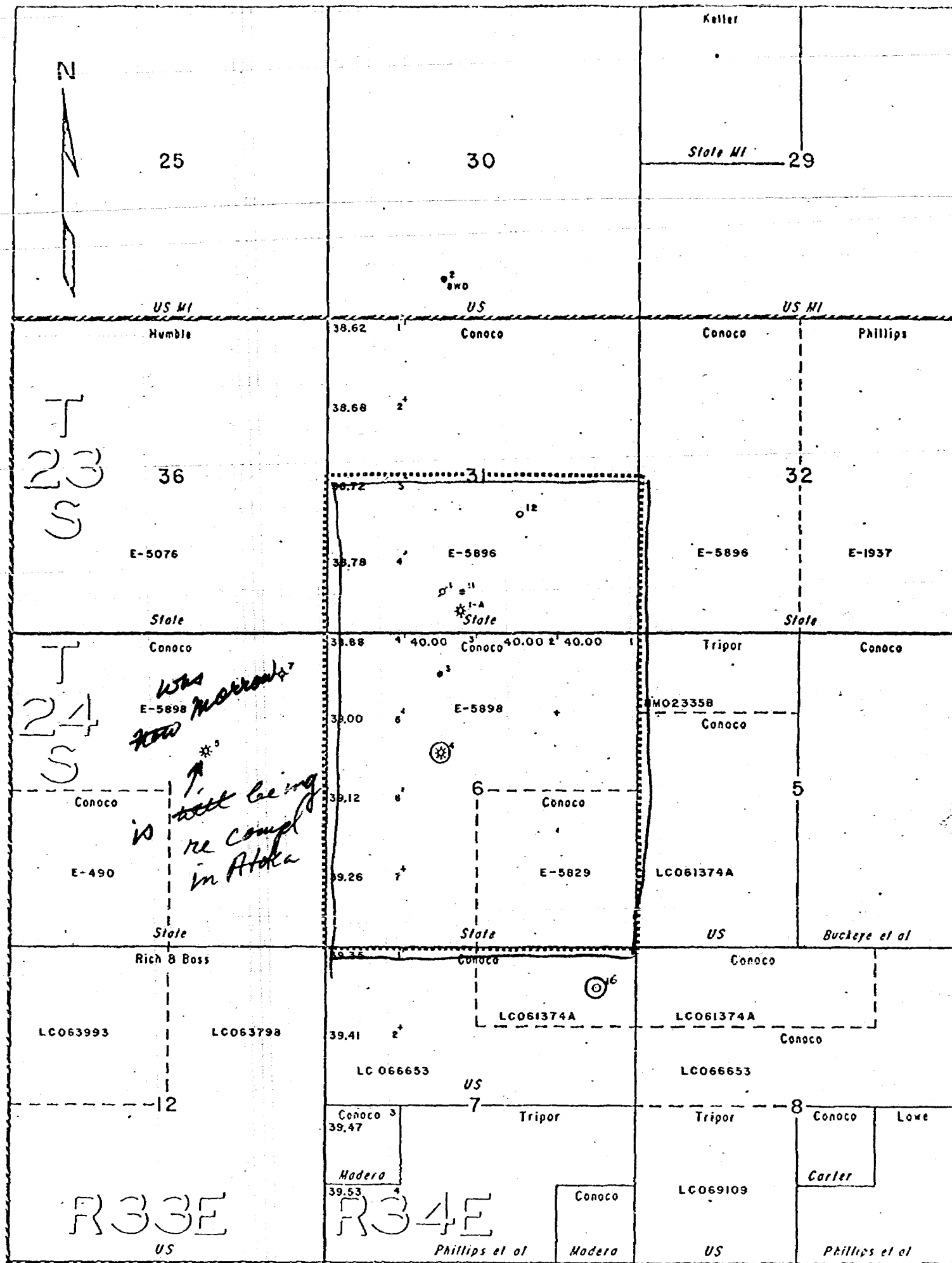
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line of Section 7, Township 24 South, Range 34 East, NMPM, to test the Morrow formation, South Bell Lake-Morrow Gas Pool, Lea County, New Mexico.

(3) That the N/2 of said Section 7 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable the applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.



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Case No. 5426
Order No. R-4975

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the North line and 660 feet from the East line of Section 7, Township 24 South, Range 34 East, NMPM, South Bell Lake-Morrow Gas Pool, Lea County, New Mexico.

(2) That the N/2 of said Section 7 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

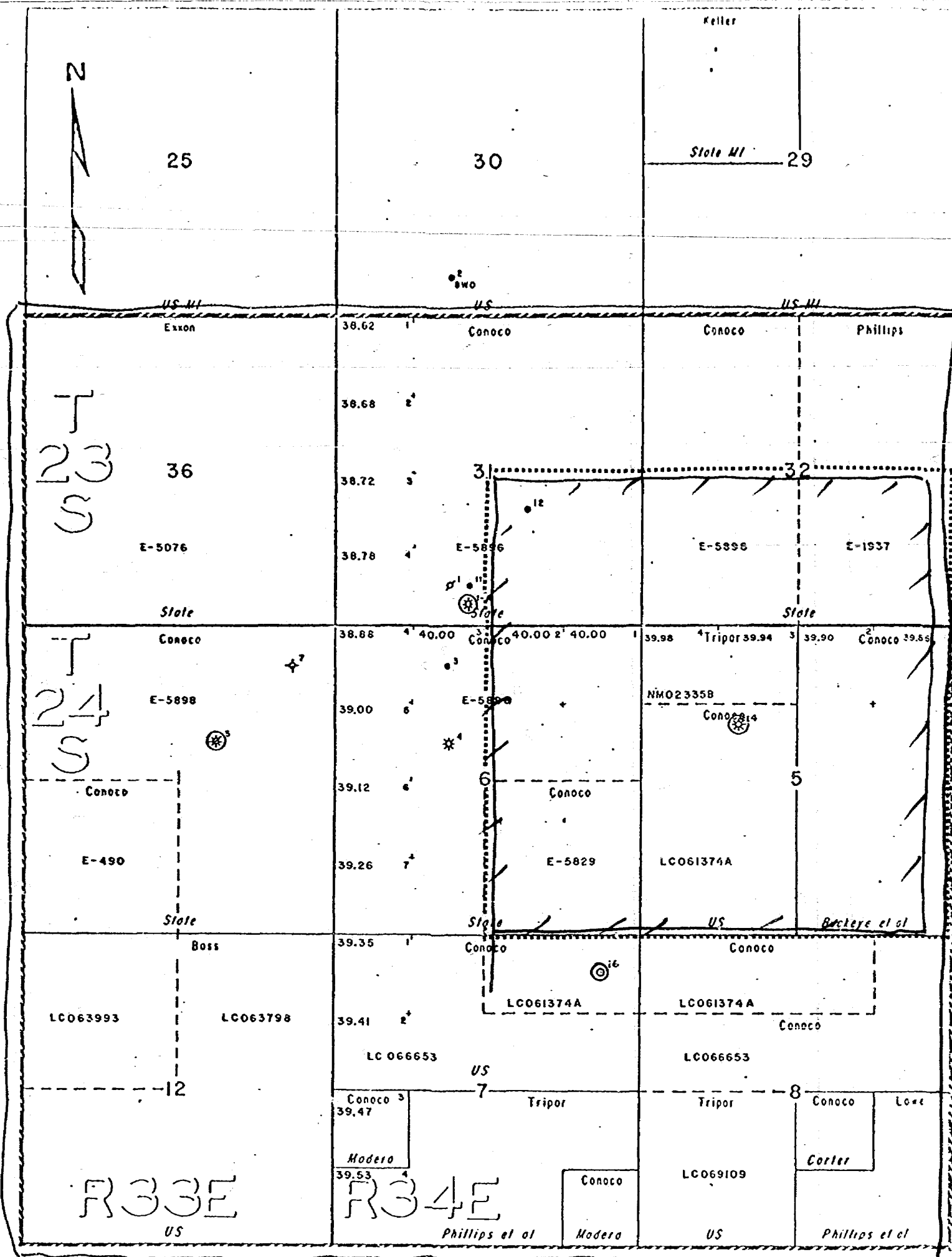
I. R. TRUJILLO, Chairman


Phil R. Lucero
PHIL R. LUCERO, Member

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

S E A L

dr/



----- BOUNDARY BELL LAKE UNIT
DEVONIAN PARTICIPATING AREA "A"

..... PROPOSED INITIAL MORROW
PARTICIPATING AREA

(*) MORROW COMPLETION

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Conoco EXHIBIT NO. 1
CASE NO. 5426

COROCO	
PRODUCTION DEPARTMENT	HOBBS DIVISION
BELL LAKE UNIT LEA COUNTY, NEW MEXICO	
MORROW PARTICIPATING AREA EXHIBIT A	
SCALE 0' 1000' 2000'	
VTL 1-75	117

CASE 5423: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations of Pennsylvanian age or older underlying the W/2 of Section 29, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location within the spacing unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5424: Application of Cities Service Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Dark Canyon Unit Area, comprising 2560 acres, more or less, of State lands in Township 23 South, Range 25 East, Eddy County, New Mexico.

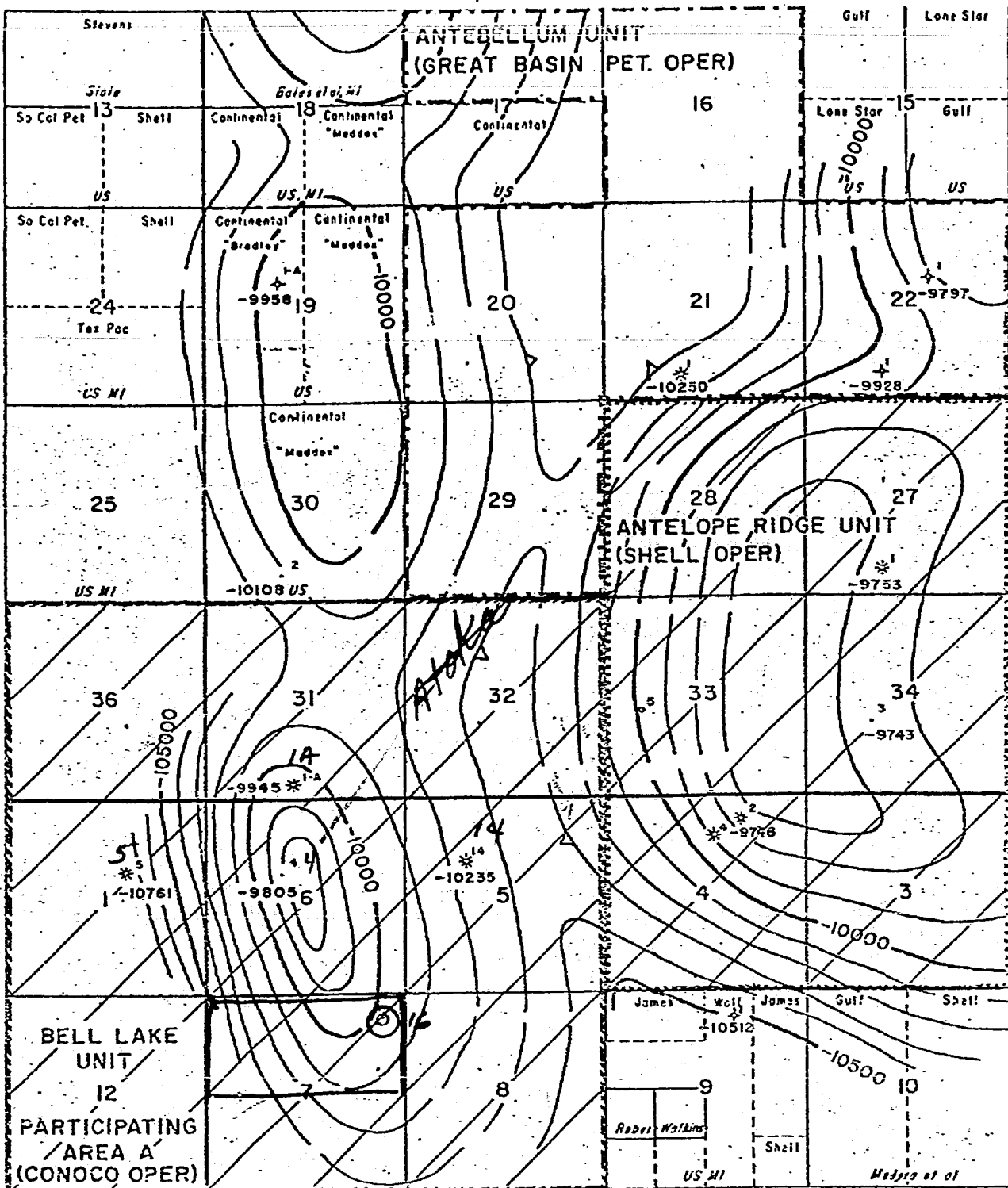
CASE 5425: Application of Continental Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a non-standard 480-acre gas proration unit comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Lockhart B Wells Nos. 4 and 8, located at unorthodox locations in Units H and P, respectively, of Section 13, and to its Lockhart B Well No. 7, at an unorthodox location in Unit D of said Section 14. Applicant further seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its State KN-12 Wells Nos. 1 and 2, located at unorthodox locations in Units P and N, respectively, of said Section 12.

CASE 5426: Application of Continental Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Bell Lake Unit Well No. 16 to be drilled 660 feet from the North and East lines of Section 7, Township 24 South, Range 34 East, South Bell Lake-Morrow Gas Pool, Lea County, New Mexico, the N/2 of said Section 7 to be dedicated to said well.

CASE 5427: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Allied B Com Well No. 1, located in Unit K of Section 27, Township 20 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from the Bone Springs formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

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R33E R34E
BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Conoco EXHIBIT NO. 3
CASE NO. 5426

CONOCO
PRODUCTION DEPARTMENT HOBBS DIVISION
STRUCTURE
4th ZONE MORROW
CI 100
SCALE
0 2000 4000
NGC 5-74

Dockets Nos. 6-75 and 7-75 are tentatively set for hearing on March 5 and March 19, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1975, from seventeen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for March, 1975, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
 - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1975, for both of the above areas.

CASE 5402: (Continued from the January 22, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tyra & Tyra, Fidelity and Deposit Company of Maryland and all other interested parties to appear and show cause why the Tyra & Tyra BTA Lulu Well No. 1 located in Unit C of Section 22, Township 9 South, Range 35 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5415: Application of Burk Royalty Co. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Double L Queen Unit Area, comprising 2670 acres, more or less, of Federal, State, and fee lands in Townships 14 and 15 South, Ranges 29 and 30 East, Chaves County, New Mexico.

CASE 5416: Application of Tesoro Petroleum Corporation for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Coal Creek Unit Area comprising 11,225 acres, more or less, of State and Federal lands in Township 23 North, Ranges 12 and 13 West, San Juan County, New Mexico.

CASE 5409: (Continued from the February 5, 1975, Examiner Hearing)

Application of Atlantic Richfield Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 12 and the NE/4 of Section 13, both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its George W. Toby WN Wells Nos. 4, 1, and 1-A, located, respectively, in Units A and H of said Section 12 and in Unit A of said Section 13.

- CASE 5417: Application of Atlantic Richfield Company for a non-standard gas proration unit, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the S/2 of Section 24 and the N/2 of Section 25, both in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its McDonald State WN Wells Nos. 12 and 24, located, respectively, at unorthodox locations in Unit M of Section 24, and in Unit E of Section 25.
- CASE 5418: Application of Joel B. Burr, Jr. and William J. Cooley for permission to flare casinghead gas, McKinley County, New Mexico. Applicants, in the above-styled cause, seek an exception to Order No. R-4070, to permit the flaring of casinghead gas produced by their Coleman Well No. 2, located in Unit C of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota D Oil Pool, McKinley County, New Mexico.
- CASE 5419: Application of J. Gregory Merrion & Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle Gavilan-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of their North Lindrith Unit Com Well No. 1, located in Unit M of Section 20, Township 26 North, Range 2 West, Rio Arriba County, New Mexico.
- CASE 5420: Application of Texaco, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its New Mexico "DM" State (NCT-1) Well No. 1, located in Unit N of Section 21, Township 13 South, Range 33 East, Lazy J Pennsylvanian Pool, Lea County, New Mexico, to dispose of produced salt water into the Pennsylvanian formation through the perforated interval from approximately 9742 to 9792 feet.
- CASE 5421: Application of Texaco, Inc., for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Justis Tubb-Drinkard and North Justis-Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 3, located in Unit I of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 5422: Application of Hilliard Oil and Gas, Inc., for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special rules for the EK-Bone Springs Pool, in Township 18 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 5122: (Reopened) (Continued from the January 22, 1975, Examiner Hearing)

In the matter of Case 5122 being reopened pursuant to the provisions of Order No. R-4693, which order established temporary special pool rules for the East Lusk-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units and a limiting gas-oil ratio of 4000 to 1. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing and proration units with a limiting gas-oil ratio of 2000 to 1.

Examiner Hearing - Wednesday - February 19, 1975

Docket No. 5-75

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CASE 5428: Application of Amax Chemical Corporation for the extension of the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Potash-Oil Area in Eddy County, New Mexico, as defined by Order No. R-11-A, as amended, by the addition of the following described lands:

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4

Section 14: W/2 SW/4

Section 23: N/2 NW/4, SE/4 NW/4, S/2 NE/4

Section 24: NW/4, W/2 NE/4, NE/4 NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 14: W/2 NE/4

Section 18: SW/4

Case 5426



L. P. Thompson
Division Manager
Production Department
Hobbs Division
Western Hemisphere Petroleum Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

OIL CONSERVATION COM.
Santa Fe

Let for hearing

January 20, 1975

New Mexico Oil Conservation Commission(3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter Jr. - Secretary-Director

Gentlemen:

Application for Nonstandard Location - Bell Lake Unit Well No. 16 - A-7-24-34,
Lea County, New Mexico

Continental Oil Company respectfully requests exception to Order No. R-4918 which established 320-acre spacing units for the South Bell Lake Morrow Gas Pool. Continental proposes to drill its Bell Lake Unit No. 16 at a location 660' FNL and 660' FEL of Section 7, T-24S, R-34E. This location was staked and Notice of Intention to Drill was submitted prior to the issuance of Order No. R-4918, but drilling was delayed because of unavailability of a rig. Our information indicates that the proposed location is more favorable for Morrow Gas Production than a standard location in this section would be. Since there are no offset operators, it is respectfully requested that administrative approval of this application be given.

Yours very truly,

L. P. Thompson
for

VTL:reh
CC:
Working Interest Owners

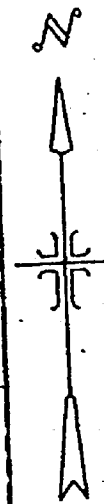
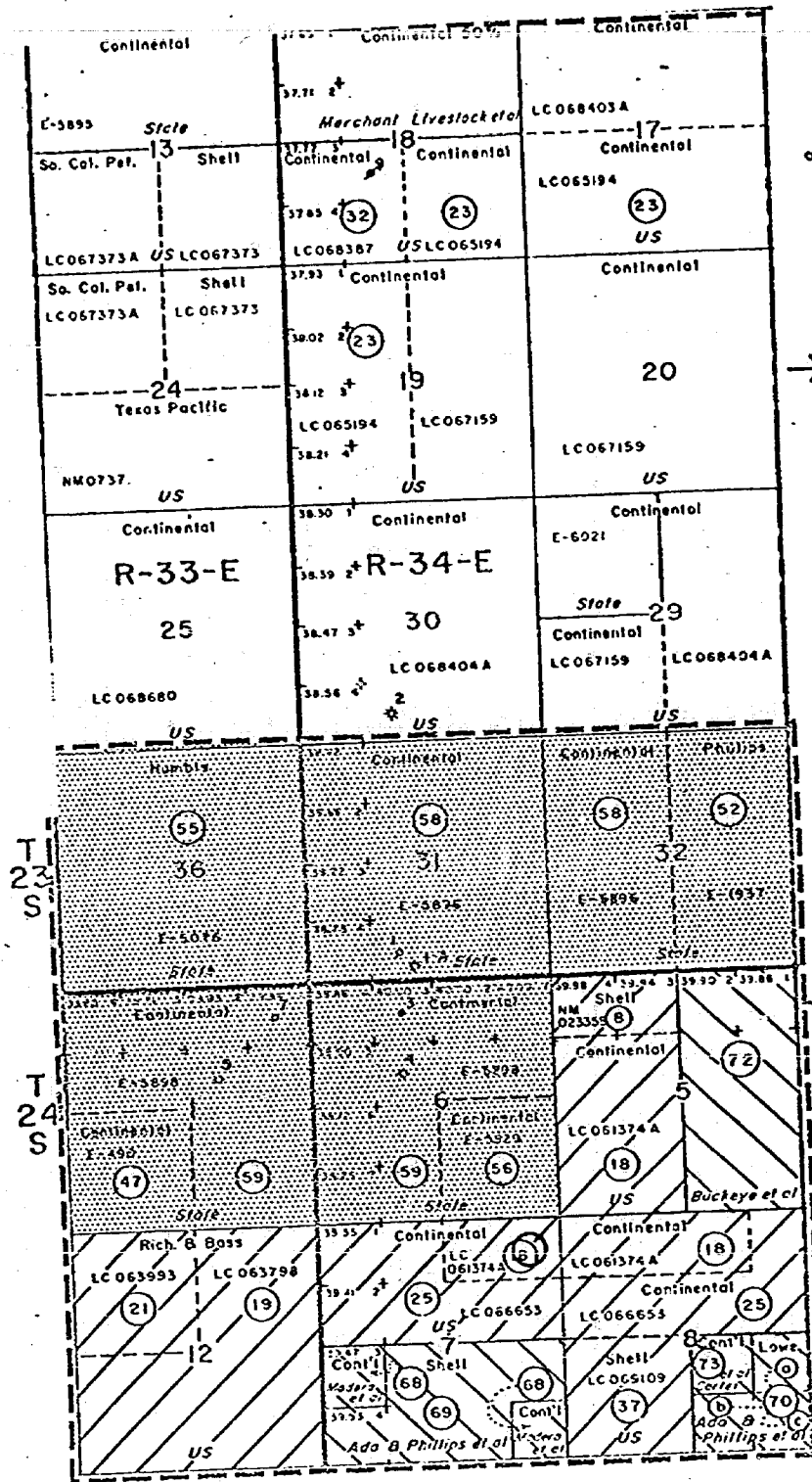
U. S. Geological Survey(2)
P. O. Box 1157
Hobbs, New Mexico 88240

JCC: FOH: JWK

DOCKET MAILED


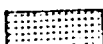

Date 2-7-75

Case 5426



PARTICIPATING
AREA A

—LEGEND—

-  Federal Acreage
-  State Acreage
-  Fee Acreage

CONTINENTAL OIL COMPANY
BELL LAKE UNIT
LEA COUNTY, NEW MEXICO
⑦ TRACT NUMBERS
SCALE IN MILES
0 1/2 1 Exhibit A

DRAFT

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5426

Order No. R- 4975

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 19, 1975
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of February, 1975, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Continental Oil Company, seeks
approval of an unorthodox gas well location 660 feet from the
North and East line of Section 7, Township 24 South, Range 34
East, NMPM, to test the Morrow formation, South Bell Lake-
Morrow Gas Pool, Lea County, New Mexico.

1 -2-
2 Case No. 5426
3 Order No. R-

4 (3) That the N/2 of said Section 7 is to be dedicated to
5 the well.

6 (4) That a well at said unorthodox location will better
7 enable the applicant to produce the gas underlying the proration
8 unit.

9 (5) That no offset operator objected to the proposed
10 unorthodox location.

11 (6) That approval of the subject application will afford
12 the applicant the opportunity to produce its just and equitable
13 share of the gas in the subject pool, will prevent the economic
14 loss caused by the drilling of unnecessary wells, avoid the
15 augmentation of risk arising from the drilling of an excessive
16 number of wells, and will otherwise prevent waste and protect
17 correlative rights.

18 IT IS THEREFORE ORDERED:

19 (1) That an unorthodox gas well location for the Morrow
20 formation is hereby approved for a well to be located at a
21 point 660 feet from the North and East line^{line 660 feet from the} of Section 7,
22 Township 24 South, Range 34 East, NMPM, South Bell Lake-Morrow
23 Gas Pool, Lea County, New Mexico.

24 (2) That the N/2 of said Section 7 shall be dedicated to
25 the above-described well.

26 (3) That jurisdiction of this cause is retained for the
27 entry of such further orders as the Commission may deem necessary.

28 DONE at Santa Fe, New Mexico, on the day and year herein-
29 above designated.
30
31
32