

CASE NO.

6337

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
 ENERGY AND MINERAL DEPARTMENT
 OIL CONSERVATION DIVISION
 State Land Office Building
 Santa Fe, New Mexico
 27 September 1978

EXAMINER HEARING

 IN THE MATTER OF:)

Application of Mark D. Wilson to) CASE
 limit application of pool rules,) 6337
 Eddy County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
 Division:

Lynn Teschendorf, Esq.
 Legal Counsel for the Division
 State Land Office Bldg.
 Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
 KELLAHIN & FOX
 500 Don Gaspar
 Santa Fe, New Mexico 87501

For Marbob Energy:

William F. Carr, Esq.
 CATRON, CATRON & SAWTELL
 50 Old Santa Fe Trail
 Santa Fe, New Mexico 87501

I N D E X

MARK D. WILSON

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Applicant Exhibit One, Plat 8

Applicant Exhibit Two, Table of production 3

MR. NUTTER: Call next Case 6337.

MS. TESCHENDORF: Case 6337, Application of Mark D. Wilson to limit application of pool rules, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, appearing on behalf of the applicant, and I have one witness.

MR. CARR: William F. Carr, of Catron, Catron and Sawtell, appearing on behalf of MarBob Energy Corporation, and I may have a statement.

MR. KELLAHIN: How do you spell that, Mr. Carr?

MR. NUTTER: Do you know how to spell that, Mr. Carr?

MR. CARR: M-A-R-B-O-B.

MR. KELLAHIN: B-O-B?

MARK D. WILSON

being called as a witness and having been duly sworn upon his oath, testifies as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Wilson, would you please state your name and occupation?

A. My name is Mark D. Wilson, I'm an independent geologist in Artesia, New Mexico.

Q. This application before the Division today has been filed in your own behalf, has it not, sir?

A. That's correct.

Q. Okay, and you have previously testified as a petroleum geologist before the Oil Conservation Division, have you not?

A. Yes.

MR. KELLAHIN: We tender Mr. Wilson as an expert witness.

MR. NUTTER: He's qualified.

Q. (Mr. Kellahin continuing.) Mr. Wilson, would you please refer to what we've marked as Exhibit Number One, identify it, and state what you're seeking to accomplish?

A. Exhibit One is a land plat of the McMillan-Roaring Springs area in Township 20 South, Range 26 and 27 East, in Eddy County, New Mexico.

And on this plat outlined in red is the McMillan-Morrow Pool. Within that red outline you'll see six -- the six wells which constitute the pool. These are colored red. And to the left of that is a green outline, which is the working interest unit that we are -- that we have put together.

And it's outlined in green.

The other colored wells on there are the green wells principally, which are the dry holes in the Morrow, which in large part encircle the McMillan Field. And in Section 14 of 26 there is a lavender colored well spot there which will be our initial drill site in the Roaring Springs Unit.

The south half of Section 14 is outlined in lavender and that will be the initial spacing unit, the first well there.

Q You've described for us the significance of the green outlined area?

A Yes, I did.

Q Okay.

A That's the outline of the Roaring Springs working interest unit.

Q What are the current spacing rules for the McMillan-Morrow gas pool?

A 640-acre spacing.

Q Would you identify each of the wells drilled within the McMillan-Morrow Gas Pool and indicate the significance of the number written in next to each of the well spots?

A Yes. As I said, there are six wells in this pool. In Section 7 of 20, 27, there are two wells, both

of which are nonproductive at the moment. One of them has been abandoned and the other one produced its last gas in January of this year.

In Section 13, that well there produced 260,000 cubic feet of gas in the month of June, which is the last month that I have a record of the production on.

The one in 18 produced 313,000 cubic feet during the month of June.

In Section 24, that well produced 3,666,000 cubic feet of gas in the month of June, and the one in 19 made 4,866,000 cubic feet in June.

Q Would you refer to what we've marked as Exhibit Number Two and identify it?

A Yeah. Exhibit Number Two is a table of production. It shows the cumulative gas production for the McMillan-Morrow Gas Pool. The top line there is the production up to the first of January, 1978, and then the next six lines there are the monthly production for the first six months of 1978. The bottom line is the cumulative production per well up to the first of July, 1978.

The purpose of this is to indicate the state of depletion of the wells that currently exist in the McMillan-Morrow Pool, to show that they are in a very advanced stage of depletion.

Q Okay. In your opinion, Mr. Wilson, is there

any geological difference between the area defined within the limits of the existing McMillan-Morrow Pool and the acreage immediately to the west?

A Well, in the Morrow there are naturally some differences in the geology. Within the pool itself there are a number of pay zones in the Morrow. There are several B sands that are productive, and also there are -- well, there's at least one channel sand that is productive in the wells in Section 13 and 18, and because of the multiplicity of the reservoirs in this pool, I would believe that it would take probably 320-acre spacing to get the maximum amount of gas out of the pool.

Q In your opinion, Mr. Wilson, can the acreage within your operating unit south of the existing pool, can that be operated economically and efficiently based upon 640-acre spacing?

A Well, we would like to drill it on 320-acre spacing because there are a number of different reservoirs that we're looking for and we feel that we can get more gas by drilling on 320.

Q In your opinion will it prevent waste and insure the maximum recovery of gas to the west of the existing pool if that is allowed to be developed on 320-acre spacing?

A That's my opinion.

Q Were Exhibits One and Two compiled under your direction and supervision?

A That's correct.

MR. KELLAHIN: We move the introduction of Exhibits One and Two.

MR. NUTTER: Applicant's Exhibits One and Two will be admitted in evidence.

MR. KELLAHIN: That concludes our direct examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Wilson, you're not seeking to affect the pool rules in the McMillan-Morrow Gas Pool itself --

A As it currently stands.

Q -- in any way, are you?

A Not at all; not at all. We're only dealing with this area within a mile of the pool that also falls under those rules referred to in the order.

Q And you would want to restrict the application of the rules to the boundaries?

A That's correct, as it exists now.

Q And your first location would be within a half a mile of the present boundary of the pool and therefor subject to 640-acre spacing --

A. Yes. .

Q. -- under the present situation.

A. Yes.

Q. Now, what is the significance of the green line that segregates the southeast quarter of the southeast quarter of Section 14?

A. Okay. The green line, as I pointed out, is the outline of our working interest unit. Now, that particular 40 there is owned by Gulf, and they didn't want to spread their interest, since they only had this 40 acres in the unit, and they didn't want to dilute it by spreading their interest throughout the unit, so they're farming out to us for this initial well.

Q. And you would have the entire 320 --

A. Yes, sir.

Q. -- in the south half of Section 14 --

A. Yes, sir, that's correct.

Q. -- to dedicate to the well.

A. Right. I might point out further that up here in Section 11 you'll see a little 40 there that you'd think might be included in this unit.

Q. The Texaco tract?

A. Right, and the reason that isn't, it's open Federal and we don't have it put up.

Q. So this 40 is not leased at the present time.

A. That's correct.

MR. NUTTER: Are there any further questions of Mr. Wilson? 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 Number 6337? Mr. Carr?

MR. CARR: Mr. Examiner, the Marbob Energy Corporation operates the CJ State No. 1-G in Section 24 in the McMillan-Morrow Gas Pool.

Inasmuch as Mr. Wilson's application today will not have any effect on either the spacing or the acreage dedication to that well, Marbob has no objection to this application.

MR. NUTTER: Thank you, Mr. Carr.

Does anyone else have anything to offer in Case 6337?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a correct transcript of the proceedings in
the Examination hearing of Case No. 6337
heard by me on 9/27 1978.
C. K. [Signature] Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

October 11, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Re: CASE NO. 6337
ORDER NO. R-5829

Applicant:

Mark D. Wilson

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other William F. Carr

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6337
Order No. R-5829

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

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this 6th day of October, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That applicant, Mark D. Wilson, seeks to limit the application of the Special Rules and Regulations for the McMillan-Morrow Gas Pool, Eddy County, New Mexico, to the horizontal limits of said pool only.

(3) That said McMillan-Morrow Gas Pool has been developed and operated on 640-acre spacing pursuant to the provisions of Division Order No. R-2917, dated June 8, 1965.

(4) That the productive limits of the McMillan-Morrow Gas Pool have been defined by the wells drilled within and immediately outside the presently defined pool boundaries.

(5) That any new production which may be established in this area will in all probability be from a separate common source of supply and should not necessarily be subject to the Special Pool Rules established for the McMillan-Morrow Gas Pool.

-2-

Case No. 6337
Order No. R-5829

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

IT IS THEREFORE ORDERED:

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM

Section 13: All

Section 24: All

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 7: All

Sections 18 and 19: All

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

Dockets Nos. 32-78 and 33-78 are tentatively set for hearing on October 11 and October 25, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 27, 1978

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6329: Application of David Fasken for unorthodox gas well locations and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following three wells located in Township 21 South, Range 24 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico:

Ross Federal Com. Well No. 2 to be drilled 3300 feet from the South line and 660 feet from the West line of Section 4, Lots 9 through 16 of said section to be dedicated to the well; Ross Federal Com. Well No. 3 to be drilled 6040 feet from the South line and 460 feet from the West line of Section 4, to be dedicated to a 284.6-acre non-standard proration unit comprising Lots 1 through 8 of said section; and Shell Federal Com. Well No. 2 to be drilled 3300 feet from the South line and 660 feet from the West line of Section 5, Lots 9 through 16 of said section to be dedicated to the well.

CASE 6330: Application of Petroleum Corporation of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the NE/4 of Section 32, Township 24 North, Range 3 West, Chacon-Dakota Associated Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6331: Application of American Petrofina Company of Texas for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the South line and 990 feet from the East line of Section 29, Township 32 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, the E/2 of said Section 29 to be dedicated to the well.

CASE 6332: Application of Reading & Bates Oil and Gas Company for an unorthodox gas well location and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of a well to be drilled 330 feet from the North line and 1650 feet from the West line of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico, to produce gas from the Jalmat Yates formation and oil from the Langlie Mattix Seven Rivers formation.

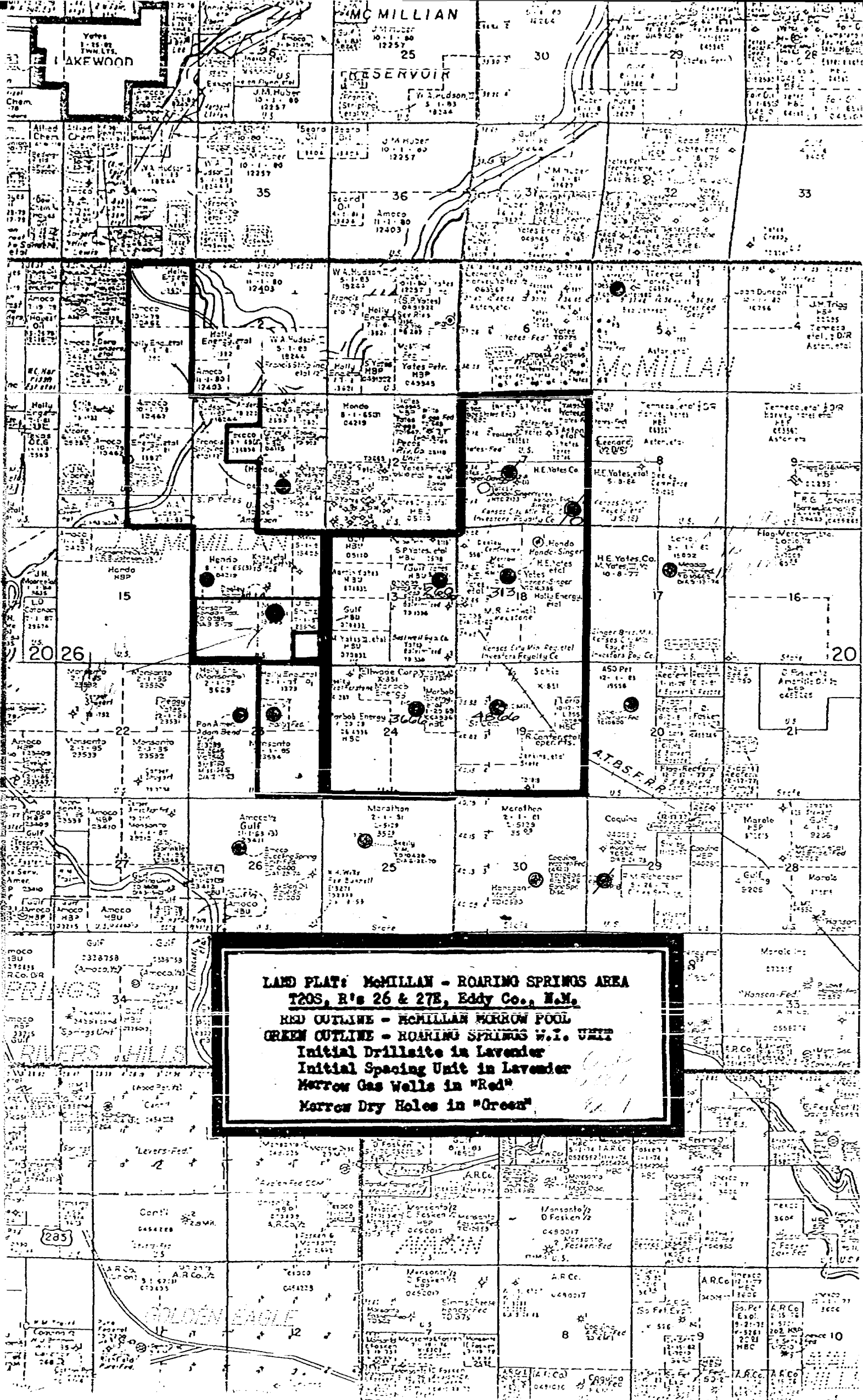
CASE 6333: Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 27, Township 23 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. In the alternative, applicant seeks an order pooling only the NE/4 of said section for the production of gas from formations above the Wolfcamp. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6334: Application of Grace Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its New Mexico Federal "G" Well No. 1 to be drilled 4650 feet from the South line and 660 feet from the East line of Section 6, Township 21 South, Range 32 East, Lea County, New Mexico, Lots 9, 10, 15, and 16 and the SE/4 of said Section 6 to be dedicated to the well.

CASE 6335: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat gas and Langlie Mattix oil production within the wellbore of its Jack B-30 Well No. 2 located in Unit B of Section 30, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 6336: Application of Burlison & Huff for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 11 and the W/2 SW/4 of Section 12, Township 21 South, Range 36 East, Eumant Gas Pool, Lea County, New Mexico, to be dedicated to a well at a standard location in Unit P of said Section 11.

CASE 6337: Application of Mark D. Wilson to limit application of pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to limit the application of the McMillan-Morrow Gas Pool present rules to the horizontal limits of said pool only, Eddy County, New Mexico.



LAND PLAT: McMillan - Roaring Springs Area
T20S, R's 26 & 27E, Eddy Co., N.M.

RED OUTLINE - McMillan Morrow Pool
GREEN OUTLINE - Roaring Springs W.I. Unit

Initial Drillsite in Lavender
Initial Spacing Unit in Lavender
Morrow Gas Wells in "Red"
Morrow Dry Holes in "Green"

MANITAN MORROW GAS POOL - ACCUMULATIVE PRODUCTION TO 7-1-78

ACCUMULATIVE PRODUCTION	MARBOS, STATE "CJ" 1G 24-218-26E GAS-MCF OIL-BBLS	SOHO, STATE 19 1F 19-208-27E GAS-MCF OIL-BBLS	YATES DRUG. CO., PROD 3H 13-208-26E GAS-MCF OIL-BBLS	H. YATES, HONDO SINGER "A" 1F 7-208-27E GAS-MCF OIL-BBLS	HEVCO, HONDO SINGER "C" 1F 18-208-27E GAS-MCF OIL-BBLS	HEVCO, SINGER-DAVIS 1X 7-208-27E GAS-MCF OIL-BBLS						
TO 1-1-78	1,997,406	1,587,139	7962	879,082	6312	33,515	93	6,195,796	26,513	127,236	675	
1-78	4,718	5,495	9	0	0	Plugging Approved 1973	--	625	0	504	0	
2-78	3,450	5,465	27	1,351	0	--	--	141	0	Least Prod. 1/78	--	
3-78	4,785	5,724	21	415	0	--	--	1,634	0	--	--	
4-78	5,028	4,762	0	213	0	--	--	867	0	--	--	
5-78	4,412	4,012	14	387	0	--	--	--	--	--	--	
6-78	3,666	4,866	0	260	0	--	--	313	0	--	--	
TO 7-1-78	2,023,465	8075	1,617,453	8033	881,438	6312	33,555	93	6,195,376	26,513	127,740	675

8-1-6-1-8-1

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN
KAREN AUBREY

KELLAHIN and FOX
ATTORNEYS AT LAW
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 988-4318
AREA CODE 505

September 8, 1978.

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of Mark B. Wilson

Dear Joe:

Please set the enclosed application for hearing before
the Divisions's examiner on September 27, 1978.

Very truly yours,


W. Thomas Kellahin

CC: Mr. Mark B. Wilson

WTK:kfm

Enclosure

BEFORE THE
OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MARK B. WILSON FOR AMENDMENT OF
THE MCMILLAN-MORROW GAS POOL RULES,
EDDY COUNTY, NEW MEXICO

Case 6337

A P P L I C A T I O N

COMES NOW, MARK B. WILSON, and applies to the Oil Conservation Division of the State of New Mexico for an exception from Division Rule 104-A and for an Amendment to Order No. R-2917, as amended, to limit the 640 acre spacing units established for the McMillan-Morrow Gas Pool to the current boundaries of said pool thereby allowing for the development of acreage within one mile of said pool upon 320 acre spacing units, and in support thereof would show the Division:

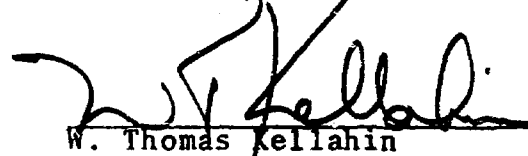
1. Applicant is the operator of a unit consisting of the E/2 of Section 3, E/2 of Section 10, W/2 of Section 11, all of Section 14 and E/2 of Section 23 all in Township 20 South, Range 26 East, Eddy County, New Mexico.
2. Applicant anticipates developing said unit by the drilling of Morrow wells based upon 320 acres spacing units with the initial well to be located at a standard location within the S/2 of Section 14, T20S, R26E, Eddy County, New Mexico.
3. That the McMillan-Morrow Gas Pool is in an advanced stage of depletion.
4. That present information available indicates that one Morrow well will economically and efficiently drain and

develop a spacing unit of not more than 320 acres and in order to prevent waste the 640 acre spacing units established for the McMillan-Morrow Gas Pool should be limited to the current boundary of said pool.

WHEREFORE applicant requests that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order approving the application as requested.

Respectfully submitted,

KELLAHIN & FOX

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over a horizontal line.

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Mark B. Wilson

SEP 21 1967

BEFORE THE
OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MARK B. WILSON FOR AMENDMENT OF
THE MCMILLAN-MORROW GAS POOL RULES,
EDDY COUNTY, NEW MEXICO

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1. Applicant is the operator of a unit consisting of the E/2 of Section 3, E/2 of Section 10, W/2 of Section 11, all of Section 14 and E/2 of Section 23 all in Township 20 South, Range 26 East, Eddy County, New Mexico.
2. Applicant anticipates developing said unit by the drilling of Morrow wells based upon 320 acres spacing units with the initial well to be located at a standard location within the S/2 of Section 14, T20S, R26E, Eddy County, New Mexico.
3. That the McMillan-Morrow Gas Pool is in an advanced stage of depletion.
4. That present information available indicates that one Morrow well will economically and efficiently drain and

develop a spacing unit of not more than 320 acres and in order to prevent waste the 640 acre spacing units established for the McMillan-Morrow Gas Pool should be limited to the current boundary of said pool.

WHEREFORE applicant requests that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order approving the application as requested.

Respectfully submitted,

KELLAHIN & FOX

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Mark B. Wilson

322 11 100

BEFORE THE
OIL CONSERVATION DIVISION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MARK B. WILSON FOR AMENDMENT OF
THE MCMILLAN-MORROW GAS POOL RULES,
EDDY COUNTY, NEW MEXICO

Case 6337

A P P L I C A T I O N

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1. Applicant is the operator of a unit consisting of the E/2 of Section 3, E/2 of Section 10, W/2 of Section 11, all of Section 14 and E/2 of Section 23 all in Township 20 South, Range 26 East, Eddy County, New Mexico.
2. Applicant anticipates developing said unit by the drilling of Morrow wells based upon 320 acres spacing units with the initial well to be located at a standard location within the S/2 of Section 14, T20S, R26E, Eddy County, New Mexico.
3. That the McMillan-Morrow Gas Pool is in an advanced stage of depletion.
4. That present information available indicates that one Morrow well will economically and efficiently drain and

develop a spacing unit of not more than 320 acres and in order to prevent waste the 640 acre spacing units established for the McMillan-Morrow Gas Pool should be limited to the current boundary of said pool.

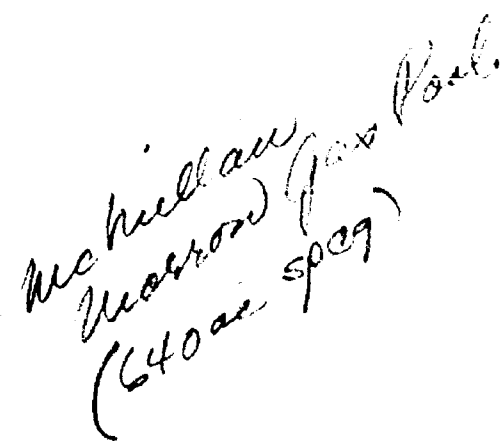
WHEREFORE applicant requests that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required by law, the Division enter its order approving the application as requested.

Respectfully submitted,

KELLAHIN & FOX

W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

Attorneys for Mark B. Wilson



100- one per cent
Wt. thick

Scott
Wilson
3000
W. 4th St. with
McNair
Mason, Ran. Post

212 American Home Bldg
 Artesia 88210

Sept. 27

applicant wants to limit
application of McMillan Morrow
gas pool Area
to pool boundary
only.

Tam K is supposed
to file appl.

~~104:
160
has taken them 790
has 130 +
- 728
880~~

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6337

Order No. R-5829

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 27,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 19 78, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That applicant ^{(Mark D. Wilson) the Special Rules and Regulations for the} seeks to limit the application of ^{the}
^{Eddy County, New Mexico,} McMillan-Morrow Gas Pool, ~~present rules~~ to the horizontal limits
of said pool only. ~~Eddy County, New Mexico~~

2
Case No. 6337
Order No. R-

(3) That said McMillan-Morrow Gas Pool has been developed and operated on 640-acre spacing pursuant to the provisions of Division Order No. R-2917, dated June 8, 1965.

(4) That the productive limits of the McMillan-Morrow *Gas Pool* have been defined by the wells drilled within and immediately outside the presently defined pool boundaries.

(5) That any new production which may be established in this area will in all probability be from a separate common source of supply and should not necessarily be subject to the Special Pool Rules established for the McMillan-Morrow Gas Pool.

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

IT IS THEREFORE ORDERED:

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM

Section 13: All

Section 24: All

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 7: All

Sections 18 and 19: All

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

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