

CASE NO. 11723 - De Novo

CASE NO. 11755 - De Novo

CASE NO. 11868

Order No. R-10872-B

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(2) In Case 11723, Mewbourne Oil Company ("Mewbourne") seeks approval of a nonstandard 297.38 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 nonstandard 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 spacing 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, 1985, 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.