

CASE 5034: Application of MARK  
PRODUCTION FOR SPECIAL POOL RULES  
FOR RED LAKE-PENNSYLVANIAN POOL.

CASE No.

5034

Application,

Transcripts,

Small Exhibits

ETC.

EXAMINER HEARING

Case No. 5034

BEFORE: Richard L. Stamets,  
Examiner.

TRANSCRIPT OF HEARING

**dearney, meier & associates**

209 SIMMS BLDG. • P.O. BOX 102 • PHONE 253-6691 • ALBUQUERQUE, NEW MEXICO 87109  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & associates

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-5091, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 MR. STAMETS: Case 5034: Application of Mark  
2 Production Company for special pool rules, Eddy County, New  
3 Mexico.

4 Is there anybody here from Mark Production Company?

5 (No response)

6 MR. STAMETS: This case was advertised, the  
7 Applicant in the above styled cause, seeking the promulgation  
8 of special pool rules for the Red Lake-Pennsylvanian Pool,  
9 Eddy County, New Mexico, including a provision for 320-acre  
10 drilling and proration units.

11 In the absence of objection, this pool will be  
12 placed on 320-acre spacing rather than the present 160-acre  
13 spacing.

14 \* \* \* \*

25

1 STATE OF NEW MEXICO )  
 ) ss  
 2 COUNTY OF BERNALILLO )  
 3

4 I, RICHARD E. McCORMICK, a Certified Shorthand  
 5 Reporter, in and for the County of Bernalillo, State of  
 6 New Mexico, do hereby certify that the foregoing and attached  
 7 Transcript of Hearing before the New Mexico Oil Conservation  
 8 Commission was reported by me; and that the same is a true  
 9 and correct record of the said proceedings to the best of  
 10 my knowledge, skill and ability.

11  
 12 *Richard E. McCormick*  
 13 CERTIFIED SHORTHAND REPORTER  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
 21

22 I do hereby certify that the foregoing is  
 23 a complete record of the proceedings in  
 24 the Examiner hearing of Case No. 5034  
 25 held by me on July 25, 1973  
*Richard L. Hamm*  
 Examiner  
 New Mexico Oil Conservation Commission

dearnley, meier & associates

200 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 1210 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108



# OIL CONSERVATION COMMISSION

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

**I. R. TRUJILLO**  
**CHAIRMAN**  
**LAND COMMISSIONER**  
**ALEX J. ARMIJO**  
**MEMBER**  
**STATE GEOLOGIST**  
**A. L. PORTER, JR.**  
**SECRETARY - DIRECTOR**

August 14, 1973

Mr. Curtis W. Mewbourne  
Mark Production Company  
300 Citizens Bank Building  
Tyler, Texas 75701

Attention: Mr. Paul Waters

Re: CASE NO. 5034

ORDER NO. R-4611

**Applicant:**

Mark Production 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.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

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

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. 5034  
Order No. R-4611

APPLICATION OF MARK PRODUCTION  
COMPANY FOR SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 25, 1973,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of August, 1973, 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, Mark Production Company, is the  
owner and operator of a proposed well to be drilled in the Red  
Lake-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That said Red Lake-Pennsylvanian Gas Pool was created  
and designated by the Commission by Order No. R-986, effective  
April 29, 1957.

(4) That by Commission Order No. R-2707, dated May 25, 1964,  
Rule 104 of the Commission Rules and Regulations was amended to  
provide that all gas pools of Pennsylvanian age or older in  
Southeast New Mexico which were created and defined June 1, 1964,  
or later shall have 320-acre spacing and proration units, inas-  
much as it was found that in Southeast New Mexico, "...a gas well  
completed in the Pennsylvanian formation or a deeper formation  
will efficiently and economically drain and develop a 320-acre  
tract."

(5) That the applicant in the instant case seeks the  
promulgation of rules including a provision for 320-acre spacing  
for the Red Lake-Pennsylvanian Gas Pool in Eddy County, New  
Mexico, inasmuch as that pool was excluded from the provisions of  
Order No. R-2707, because it was created and defined prior to the  
cut-off date of June 1, 1964.

-2-

Case No. 5034  
Order No. R-4611

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the Red Lake-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1973, each well completed or recompleted in the Red Lake-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Red Lake-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by September 30, 1973.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Red Lake-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

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



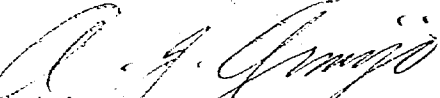
-3-


Case No. 5034  
Order No. R-4611

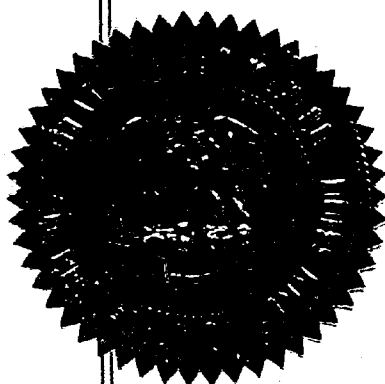
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIÑO, Member

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



S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 5028: Application of Great Basins Petroleum for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Antebellum Unit Area comprising 3840 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East, Lea County, New Mexico.

CASE 5029: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Old Indian Draw Unit Area comprising 3,128 acres, more or less, of Federal and fee lands in Township 22 South, Range 28 East, Eddy County, New Mexico.

CASE 5030: Application of Yates Drilling Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Artesia Metex Unit Area comprising 2,000 acres, more or less, of State lands in Township 18 South, Ranges 27 and 28 East, Eddy County, New Mexico.

CASE 5031: Application of Yates Drilling Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Artesia Metex Unit Area by the injection of water into the Grayburg formation through 14 wells located in Sections 24, 25, 26, 35, and 36 of Township 18 South, Range 27 East, and Sections 19 and 30 of Township 18 South, Range 28 East, Eddy County, New Mexico.

Applicant further seeks an administrative procedure whereby the locations of said wells can be changed without further notice and hearing.

CASE 5032: Application of Anadarko Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Burnham GSA Unit Area by the injection of water into the Grayburg-San Andres formation through six wells in Section 2, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico.

CASE 5033: Application of Continental Oil Company for a special gas-oil ratio limit or in the alternative, a lease casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special pool rules for the Bell Lake-Bone Spring Pool to provide a gas-oil ratio limit of 5000 to 1 or in the alternative to provide for lease casinghead gas allowable in said pool.

- CASE 5034: Application of Mark Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Red Lake-Pennsylvanian Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.
- CASE 5035: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formation in the open-hole interval from 3373 feet to 3731 feet in its B. V. Lynch "A" Fed Well No. 1 and from 3712 feet to 3734 feet in its Well No. 10 located in Units J and C, respectively, Section 34, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 5036: Application of The Wil-Mc Oil Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres formation in the perforated interval from 4208 feet to 4282 feet in its Champlin State Well No. 1 located in Unit M of Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Chaves County, New Mexico.
- CASE 5037: Application of David Fasken for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying Section 31, Township 20 South, Range 25 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled in Unit J of said Section 31. 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 applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5038: Application of Twinlakes Oil Company for a dual completion and salt water disposal exception, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its O'Brien "C" Well No. 3 located in Unit K of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, as a dual completion (tubingless) to produce oil from the Twin Lakes-San Andres Pool and gas from an undesignated Cisco gas pool through parallel strings of 2 7/8" casing cemented in a common wellbore. Said well was formerly dually completed for San Andres production and Devonian salt water disposal pursuant to Order No. R-4497. Applicant further seeks the amendment of Order No. R-3636 which authorized, as an exception to Order R-3221, the disposal of Devonian and San Andres water production in unlined surface pits; applicant seeks authority to also dispose of water produced from the aforesaid Cisco gas pool in said pits.

CASE 5039: Southeastern nomenclature case calling for an order for the abolishment and extension of certain pools in Lea County, New Mexico.

(a) Abolish the East Brunson-Granite Wash Pool in Lea County, New Mexico, described as:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 13: W/2

Section 24: W/2 and SE/4

Section 25: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

(b) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 13: W/2

Section 24: W/2 and SE/4

Section 25: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

(c) Abolish the North Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 17: SW/4

Section 18: E/2

Section 19: NE/4

Section 20: NW/4

(d) Extend the Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 17: SW/4

Section 18: E/2, SW/4, and E/2 NW/4

Section 19: NE/4

Section 20: NW/4

(e) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 2: N/2

Section 3: N/2

(f) Extend the Eunice-Monument Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: NW/4

(g) Extend the Justis-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 12: N/2

(h) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 35: NW/4

(i) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM  
Section 23: E/2 SW/4

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM  
Section 5: NW/4  
Section 6: N/2 and SE/4

(j) Extend the Triple X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
Section 1: SE/4

(k) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 17: SW/4  
Section 18: SE/4  
Section 21: NW/4

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Docket No. 21-73

DOCKET: REGULAR HEARING - TUESDAY - AUGUST 7, 1973

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

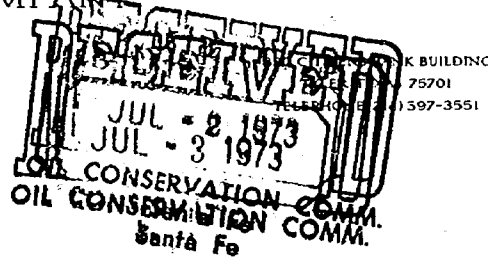
CASE 5007: (Continued from the June 28, 1973, Regular Hearing)

Application of Belco Petroleum Corporation for a drilling permit in the Potash-Oil Area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Felmont Federal Well No. 1 to test the Morrow formation adjacent to the South Salt Lake-Morrow Gas Pool at a location 660 feet from the North line and 1980 feet from the East line of Section 25, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, said location being within the boundaries of the Potash-Oil Area as defined by Commission Order No. R-111-A, and having been objected to by the owners of potash leases in the area.

MARK PRODUCTION COMPANY

CURTIS W. MEWBOURNE  
PRESIDENT

June 28, 1973



*Case 5034*

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Mark Production Company #1 Peterson  
1980' from the East & South Lines of  
Section 7, T-18-S, R-27-E  
Eddy County, New Mexico

Dear Sir:

Mark Production Company has made application to drill the subject well, and you will find attached a copy of the Application to Drill (C-101). We have requested a 320-acre gas proration unit around the well, which encompasses the S/2 of Section 7, and have filed an Acreage Dedication Plat evidencing this with a Communitization Agreement. The location falls within one mile of a producing well in the Red Lake Pennsylvanian Field, which provides for 160-acre spacing for gas wells.

Please accept this letter as a request for an exception to the Red Lake Pennsylvanian Field spacing rules. We hereby request a 320-acre gas proration unit encompassing the S/2 of Section 7.

Although the spacing rules for the subject field provide for 120 acres per well, the development was on a voluntary 640-acre spacing basis. There is currently only one well producing in the field, and we attach a copy of a letter from Exxon Company, U.S.A., the operator of the lone producing well, waiving any objection to our proposed 320-acre gas unit.

If this spacing exception requires a hearing, we request that it be set at the earliest possible date.

DOCKET MAILED

Date 7-13-73

Very truly yours,

*Curtis W. Mewbourne*  
Curtis W. Mewbourne

CWM:Bjd

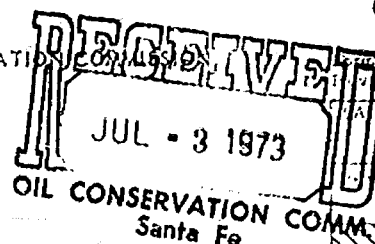
Attachments

cc: Mr. W. A. Gressett, Supervisor  
New Mexico Oil Conservation Commission  
Artesia, New Mexico 88210

*7/3 advised  
Mr. Mewbourne  
The only way we can  
approve a 320 for Mark  
would be to put the plat on  
320 then Mewbourne would have  
to dedicate 320 or get an NSP.  
He will check & let  
us know - Hold  
till then  
done*

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION



Case 5034

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Form of Lease Name Peterson, "Com"	
c. Name of Operator Mark Production Company		9. Well No. 1	
3. Address of Operator 330 Citizens Bank Building, Tyler, Texas 75701		10. Field and Pool, or Willcox Red Lake Pennsylvanian	
4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE East LINE AND 1980 FEET FROM THE South LINE OF SEC. 7 TWP. 18S RGE. 27E N14W		12. County Eddy	
19. Proposed Depth 9,700'		19A. Formation Morrow Sand	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 3290' GL	
21A. Kind & Status Plug. Bond \$25,000 Blanket		21B. Drilling Contractor Unknown at this time	
22. Approx. Date Work will start August 1, 1973			

23. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20"	16"	65#	200'	250	Circulated
15"	11-3/4"	42#	900'	875	Circulated
11"	8-5/8"	24#	1,850'	350	
7-7/8"	4-1/2"	10.5 & 11.6#	9,700'	330	

## BLOW-OUT PREVENTOR PROGRAM:

10" Cameron 900 Series QRC Blowout Preventor  
Shaffer 3-stage closing accumulator

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTOR PROGRAM, IF ANY.

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

Signed W. H. Thompson Title Assistant Secretary Date June 26, 1973

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION

**RECEIVED**  
JUL - 3 1973  
OIL CONSERVATION COMM.  
Santa Fe

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

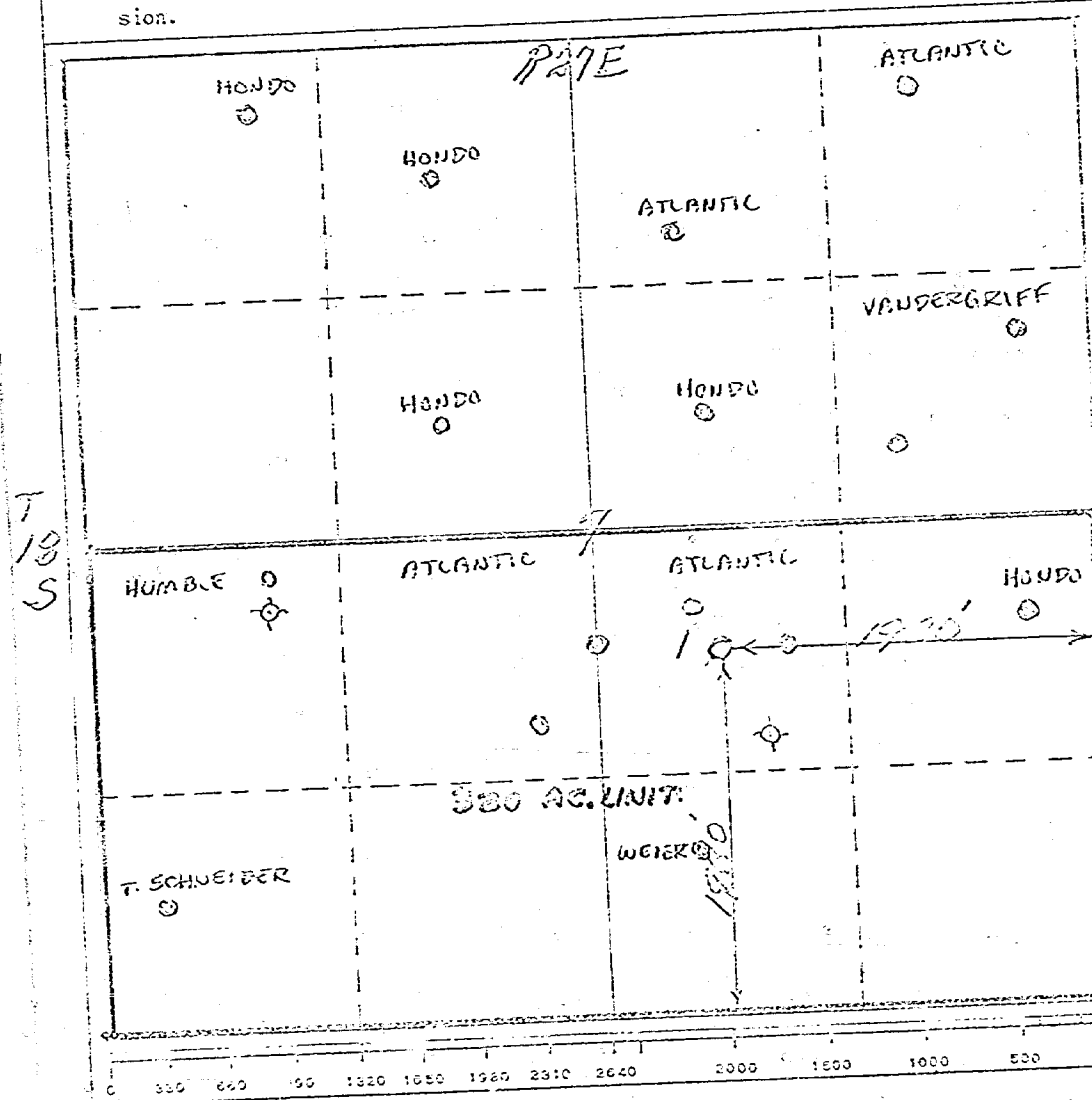
Operator <i>Mark Production</i>	Lease <i>Petersen</i>	County <i>Santa Fe</i>
Unit Letter <i>T</i>	Section <i>7</i>	Township <i>18 South</i>
Actual Footage Location of Well <i>1920</i> feet from the <i>South</i> line and <i>1920</i> feet from the <i>East</i> line		Case <i>5034</i>
Ground Level Elev. <i>3290</i>	Producing Formation	Pool <i>320</i>

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

☒ Yes ☐ No If answer is "yes," type of consolidation COMMUNITIZATION AGREEMENT

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

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



CERTIFICATION

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

Name

Position

Company

Date

I hereby certify that the information shown on the plat was obtained from the notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

*June 1973*  
Registered Professional Engineer  
and/or Land Surveyor

Certificate No. *542*



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

**RECEIVED**  
JUL - 3 1973  
OIL CONSERVATION COMM  
Santa Fe

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

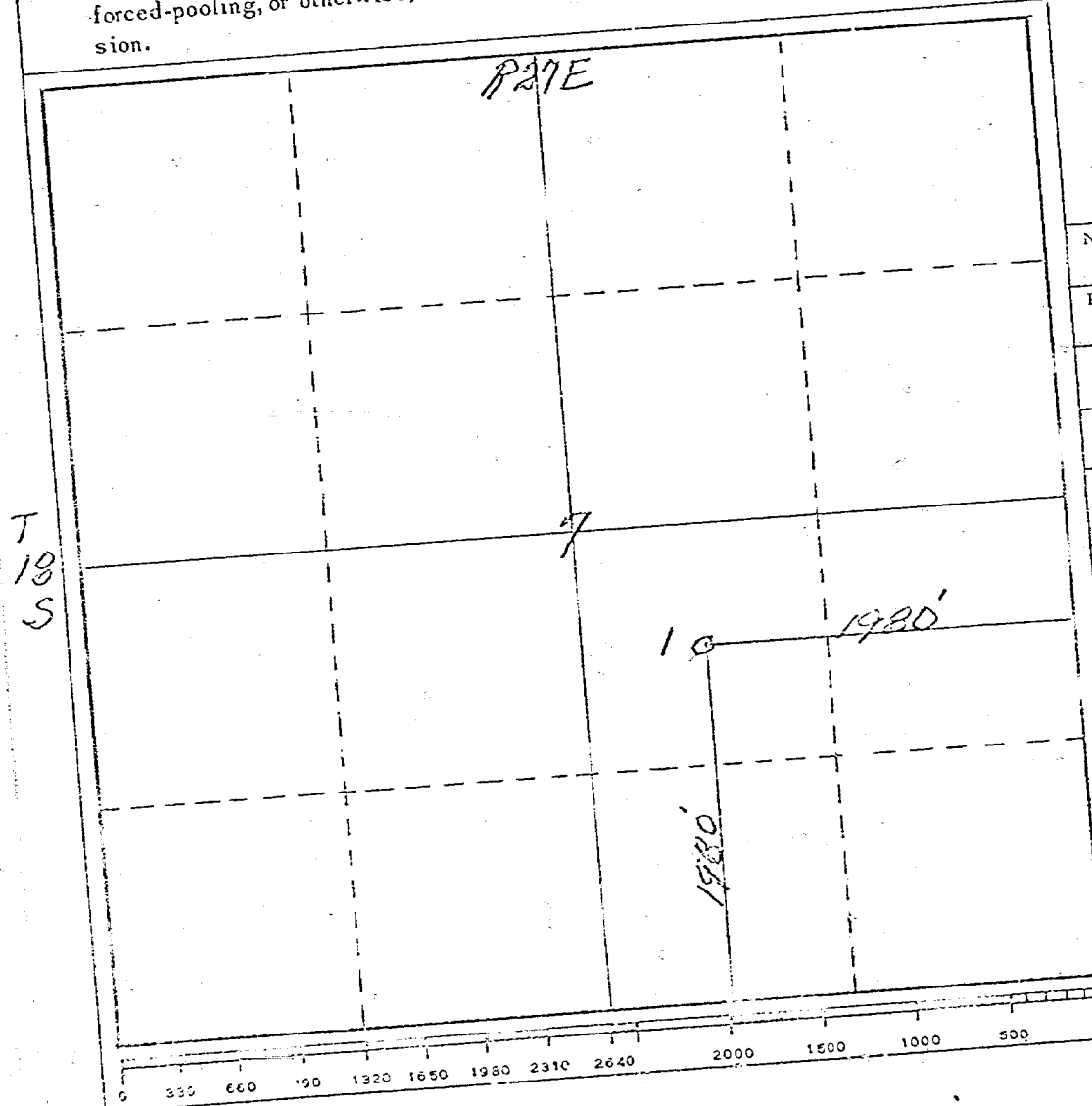
Operator <i>Mark Production</i>	Lease <i>Peter-507</i>	Well No. <i>5034</i>
Unit Letter <i>J</i>	Section <i>7</i>	Township <i>18 South</i>
	Range <i>27 East</i>	County <i>Eddy</i>
Actual Footage Location of Well: <i>1980</i> feet from the <i>South</i> line and <i>1980</i> feet from the <i>East</i> line		Dedicated Acreage: <i>1.0</i> Acres
Ground Level Elev. <i>3290</i>	Producing Formation	Pool

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

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

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

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



CERTIFICATION

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

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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

Date Surveyed

*June 13th 1973*  
Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

*542*

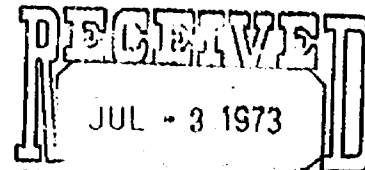


Exhibit A to Communitization Agreement dated May 15, 1973, embracing South One-Half of Section 7, T-18-S, R-27-E, N.M.P.M., Eddy County, New Mexico

OIL CONSERVATION COMM.  
Santa Fe

*Case 5034*

Operator of Communitized Area: MARK PRODUCTION COMPANY

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: U. S. A.

Lessee of Record: Pan American Petroleum Corporation

Serial No. of Lease: NM 7715

Date of Lease: January 1, 1970

Description of Lands Committed: NE/4 SE/4

Number of Acres: 40

Working Interest and Percentage: 7/8

O.R.R.I. and Percentage: 12 1/2 CROY

Recording Data: Book 102, Page 53  
Oil & Gas Records of Eddy County, New Mexico

Tract No. 2

Lessor: U. S. A.

Lessee of Record: Amoco Production Company

Serial No. of Lease: LC067981(b)

Date of Lease: December 1, 1971

Description of Lands Committed: SE/4 SE/4

Number of Acres: 40

Working Interest and Percentage: 7/8

O.R.R.I. and Percentage: 5% CROY

Recording Data: Book 84, Page 378  
Oil and Gas Records of Eddy County, New Mexico

Tract No. 3

Case  
5034

Lessor: A. A. Kaiser

Lessee: Humble Oil & Refining Company\*

Date of Lease: August 12, 1935

Description of Lands Committed: NE/4 of NW/4 of SE/4 of Section

Number of Acres: 10

Working Interest and Percentage: 7/8 (.875)

O.R.R.I. and Percentage: None

Recording Data: Book 15 Page 69

Misc. Records of Eddy County, New Mexico

\* Leasehold interest farmed out to Mark Production Company who will assign interest to Curtis W. Mawbourne.

Tract No. 4

Lessor: Birdie Kaiser, a widow

Lessee: Humble Oil & Refining Company\*

Date of Lease: October 30, 1947

Description of Lands Committed: The W/2 SE/4 of Section 7, T-18-S,  
R-27-E, N.M.P.M., except the NE/4  
NW/4 SE/4 of said section

Number of Acres: 70

Working Interest and Percentage: 7/8 (.875)

O.R.R.I. and Percentage: 1/8 ORRI

Recording Data: Volume 30, Page 132

Oil & Gas Records of Eddy County, New Mexico

\* Leasehold interest farmed out to Mark Production Company who will assign interest to Curtis W. Mawbourne.

Exhibit A

Over 5034

Tract No. 5

Lessor: B. F. Kaiser et al

Lessee: Atlantic Richfield Company - 75%  
A. D. Weier and R. C. Brandon Minors - 25%\*

Date of Lease: October 30, 1947

Description of Lands Committed: E/2 of SW/4

Number of Acres: 80 Acres

Working Interest and Percentage: 7/8

O.R.R.I. and Percentage: 2 1/3 of 7/8 ORRI

Recording Data: Volume 30, Page 498  
Oil & Gas Records of Eddy County, New Mexico

\* Leasehold interest farmed out to Mark Production Company who will  
assign interest to Curtis W. Newbourn.

Tract No. 6

Lessor: Elsie Gates Johnston

Lessee of Record: Humble Oil & Refining Company \*

Date of Lease: December 16, 1955

Description of Lands Committed: NW/4 of SW/4 of Section 7

Number of Acres: 40

Working Interest and Percentage: 7/8

O.R.R.I. and Percentage: None

Recording Data: Book 71, Page 417  
Oil & Gas Records of Eddy County, New Mexico

\* Leasehold interest farmed out to Mark Production Company who  
will assign interest to Curtis W. Newbourn.

Exhibit A

Tract No. 7

Lessor: J. M. Jackson et ux

Lessee: Gulf Oil Corporation

Date of Lease: October 31, 1951

Description of Lands Committed:  $5N/4$  of  $5N/4$  of Section 7

Number of Acres: 40

Working Interest and Percentage:  $7/8$

O.R.R.I. and Percentage: None

Recording Data: Book 44, Page 99  
Oil & Gas Records of Eddy County, New Mexico

RECAPITULATION

<u>Tract Number</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Committized Area</u>
1	40	12.5
2	40	12.5
3	10	3.125
4	70	21.875
5	80	25.0
6	40	12.5
7	40	12.5

Exhibit A

EXXON COMPANY, U.S.A.  
POST OFFICE BOX 1470-A DEAND TEXAS 75701

Case 5034

June 19, 1973

PRODUCTION COMPANY  
MANAGEMENT DIVISION  
1400 JEFFERSON  
DALLAS, TEXAS 75201

Red Lake Pool Spacing  
Eddy County, New Mexico

20-3

Mark Production Company  
330 Citizens Bank Building  
Tyler, Texas 75701

Attention: Mr. Paul R. Waters

Gentlemen:

Your letter of June 12, 1973, stated your intention to request and acquire 320-acre spacing for the Morrow Zone in the S/2 of Section 7, 18S-27E in Eddy County, New Mexico. Exxon has no objection to this request and you may use this letter as a waiver of objection for presentation to the New Mexico Oil Conservation Commission.

Yours very truly,

  
R. E. HAMMOND

HNR/rs

DRAFT

dr/

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. 5034

Order No. R- 4611

APPLICATION OF MARK PRODUCTION  
COMPANY FOR SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 25, 1973,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1973, 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, Mark Production Company, is the  
owner and operator ~~of certain gas wells~~ *of a proposed well to be drilled*  
in the Red Lake-Pennsylvanian  
Gas Pool, Eddy County, New Mexico.

(3) That said Red Lake-Pennsylvanian Gas Pool was created and designated by the Commission by Order No. R-986, effective April 29, 1957.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "...a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the Red Lake-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.



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Case No. 5034  
Order No. R-

IT IS THEREFORE ORDERED:

(1) That effective August 1 1973, each well completed or recompleted in the Red Lake-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Red Lake-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well by September 30, 1973.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Red Lake-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(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 herein-  
above designated.