

CASE NO. 5385: YATES PETROLEUM  
CORP. FOR POOL CREATION AND SPECIAL  
POOL RULES AND UNORTHODOX LOCATION  
EDDY COUNTY, NEW MEXICO

CASE No.

5385

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Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
CO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 8, 1975

## EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation for pool creation and special pool rules and an unorthodox gas well location, Eddy County, New Mexico.

Case No.  
5385

BEFORE: Richard L. Stamets, Examiner.

## TRANSCRIPT OF HEARING

## A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

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

For the Applicant:

A.J. Losee, Esq.  
LOSEE & CARSON  
Carper Bldg.  
Artesia, New Mexico

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STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

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MR. STAMETS: Call the next case, Case 5385.

MR. CARR: Case 5385. Application of Yates Petroleum Corporation for pool creation and special pool rules and an unorthodox gas well location, Eddy County, New Mexico.

MR. LOSEE: Mr. Examiner, A.J. Losee, Losee & Carson, Artesia. I have one witness.

MR. STAMETS: Are there any other appearances in this Case? The Witness will stand and be sworn.

(Witness sworn.)

EDDIE MAHFOOD

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q State your name, residence, and occupation, please.

A Eddie Mahfood, Artesia, New Mexico, Chief Engineer for Yates Petroleum.

Q Have you previously testified before this Commission and had your qualifications as a petroleum engineer accepted?

A Yes, I have.

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Q Would you explain the purpose for this Application?

A Yates Petroleum seeks approval of a non-standard gas well, 320-acre spacing, in the new field.

Q You wish approval of an unorthodox location for this well at 590 -- located 520 from the north line and 480 feet from the west line?

A That's right.

Q And you dedicate the west half of the Section to the well?

A That's right.

Q And create a new pool. What do you propose to call it?

A High Hope-Abo Gas.

Q And for special pool rules for that pool?

A Right.

Q Including 320 acre spacing?

A Correct.

Q Would you refer to what has been marked as Exhibit 1 and explain what is portrayed by this Exhibit?

A It is an ownership map showing the location of the well and the division of the working interest. We're dedicating the west half of Section 13, Township 17 South, 23 West. There is two federal leases and one fee lease

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involved and it will be communitized.

Q Are there any offset operators?

A No, Yates Petroleum is the only offsetting operator.

Q Doesn't Kerr McGee own the Southwest quarter of Section 13?

A This is correct; they are a half a mile away.

Q All right. Is there any other production in the area from the Abo?

A No.

Q Please refer to what has been marked as Exhibit 2 and explain what is shown by this Exhibit.

A This Exhibit is a mud log showing sample descriptions, visible porosity, gas kick, drilling time, and the relative depth.

Q During the productive interval in the well what was the approximate -- did you have a drilling break?

A Yes. We had a dralling break, it wasn't a very good drilling break because the well was very rough and we had to take the weight off the bit.

Q Did you drill-stem test the Abo when you went through it?

A No, we did not drill-stem test.

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Q How deep was this well drilled, to what formation?

A This well is drilled through the Devonian.

Q And that's the reason for its unorthodox gas well location?

A That's right.

Q And plugged back and completed in the Abo?

A This is correct.

Q Please refer to what has been marked as Exhibit 3 and explain what is portrayed by this Exhibit?

A Exhibit 3 is a composite of sonic log and a density neutron log. The purpose of the sonic log was to determine fractures. From the rough drilling experience we suspected fracturing, and the sonic log demonstrates the fracturing of the rock.

Q What was the porosity, approximately?

A The porosity ranged from 4 to 10 percent. This was the feet of pay in this well.

Q Have you found the Abo present in other drilling operations west of the Pecos River in Eddy County?

A Yes. We have found it present in just about every well we have drilled west of the Pecos River.

Q How many wells have you drilled west of the Pecos in the last five years, approximately?



A Innumerable.

Q Have you found gas in any of these Abo wells?

A Yes. We have found gas, we have found oil, we have found water.

Q So you would say from your drilling experience in the area that it was a prevalent formation throughout this area, Eddy County?

A Yes, I would say so.

Q Please refer to what has been marked as Exhibit 4 and explain what is portrayed by this four-point test.

A Exhibit 4 is the four-point test of this High Hope Well and we calculated an open-flow potential of 1.12 million.

Q How far is this well from a pipeline?

A Approximately 9 miles to the nearest pipeline.

Q Have you had any indication that any pipeline will come to this well to pick up the gas?

A No, we have talked to one or two companies and there is no enthusiasm to come this far for a low-volume well.

Q Do you feel like they would be willing to come that distance if there were further developments?

A Yes. I think if we had a large enough reserve,

that is several small-volume wells, it might justify them bringing a line into the well, the area.

Q Do you have an indication that Yates might be willing to drill some other wells on 320-acre spacing?

A Yes, I think they would drill on 320 spacing.

Q Do you have an opinion as to whether this High Hope-Abo Gas Well at its present unorthodox location will probably drain the West half of Section 13?

A Yes, I feel pretty sure it will drain 320 acres.

Q Were Exhibits 1 through 4 prepared by you or under your direction?

A Yes.

MR. LOSEE: I move the introduction of Exhibits 1 through 4.

MR. STAMETS: Exhibits 1 through 4 will be admitted into evidence.

(Whereupon, Yates' Exhibits  
1 through 4 were admitted into  
evidence.)

MR. LOSEE: That's all I have at this time.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Mahfood, do you have any plans, or do you

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know of any plans for additional drilling of this area at this time?

A No. I imagine that there would be a two-year delay. There are no expiring leases coming up and in two years perhaps the volume of gas will increase to such a point where development would be justified on 320 spacing.

Q Are there any liquids produced along with the gas in this well?

A No, this is dry gas.

Q What is the need for 320 acres in this proposed pool?

A The deliverability is low volume, the cost is exhorbitant, and it is doubtful that we can get pipeline in there without having several small wells, several additional wells. Again we have been negotiating with ammonia plants for the area, and these will take approximately 36 months to materialize.

Q I believe your Application was just strictly for special pool rules. Would you have any objection to establishment of temporary special pool rules pending connection in the area and some production history?

A If this temporary rule could cover a period of not less than three years we would have no objection to that.

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Q Well, if the temporary period was open-ended, depending upon connection, would that give you sufficient time? If an additional year was tacked on have the date of connection, would that be sufficient time for evaluation?

A I think an additional year after the pipeline connection might be satisfactory, although I would prefer more time. I would prefer a permanent rule.

Q At least on a temporary basis the 320-acre spacing would give you the flexibility you feel you need in order to properly develop this marginal prospect?

A This is true. We might find later on that we might want to go to 160-acre spacing.

MR. STAMETS: Are there any other questions of this Witness?

A (Continuing) I might mention, Mr. Examiner, that there has been precedent set whereas gas fields, shallower than Pennsylvania Age, have had 320-acre spacing assigned to them permanently, and on this basis I would like permanent field rules for this area.

Q At the present time, though, there is no way of getting any evidence as to potential drainage in this reservoir and the actual extent of the reservoir since we only have one well in the area?

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A This is true. In cleaning the well up, we noticed that there was several days for a period the flow rate was fairly stabilized; there was very little decline, which would indicate pretty good drainage.

MR. STAMETS: Any other questions of the Witness?

MR. LOSEE: No further questions.

MR. STAMETS: He may be excused. Anything further in this Case? 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. 5385  
heard by me on 1-8, 1975

  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission

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# OIL CONSERVATION COMMISSION

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

January 22, 1975

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
PHIL R. LUCERO  
MEMBER

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

Mr. A. J. Losee  
Losee & Carson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 5385  
ORDER NO. R-4951

Applicant:  
**Yates Petroleum Corp.**

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. 5385  
Order No. R-4951

NOMENCLATURE

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR POOL CREATION  
AND 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 January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 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, Yates Petroleum Corporation, seeks the creation of a new gas pool for Abo production in Eddy County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 320-acre spacing and proration units and fixed well location requirements.

(3) That the Yates Petroleum Corporation High Hope DJ Federal Well No. 1, located 660 feet from the North line and 480 feet from the West line of Section 13, Township 17 South, Range 23 East, NMPM, Eddy County, New Mexico, having its top perforations at 4478 feet, has discovered a separate common source of supply which should be designated the High Hope-Abo Gas Pool; that the vertical limits of said pool should be the Abo formation and that the horizontal limits of said pool should be the W/2 of said Section 13.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations pro-



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CASE NO. 5385  
Order No. R-4951

viding for 320-acre spacing units should be promulgated for the High Hope-Abo Gas Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That special rules and regulations should be established for a temporary period to expire one year from the date of initial connection of wells in said pool to a gas transportation facility; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That the operators in said pool should notify the Secretary-Director of the Commission of the date of first gas connection in said pool.

(8) That this case should be reopened at an examiner hearing one year from the date of initial gas connection at which time the operators in the High Hope-Abo Gas Pool should appear and show cause why said pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production, is hereby created and designated the High Hope-Abo Gas Pool, with vertical limits comprising the Abo formation and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 17 SOUTH, RANGE 23 EAST, NMPM  
Section 13: W/2

(2) That temporary Special Rules and Regulations for the High Hope-Abo Gas Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
HIGH HOPE-ABO GAS POOL

RULE 1. Each well completed or recompleted in the High Hope-Abo Gas Pool or in the Abo formation within one mile thereof, and not nearer to or within the limits of another designated Abo Gas Pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary of the dedicated tract nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

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CASE NO. 5385  
Order No. R-4951

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the High Hope-Abo Gas Pool or in the Abo 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 on or before March 1, 1975.

(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 High Hope-Abo Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

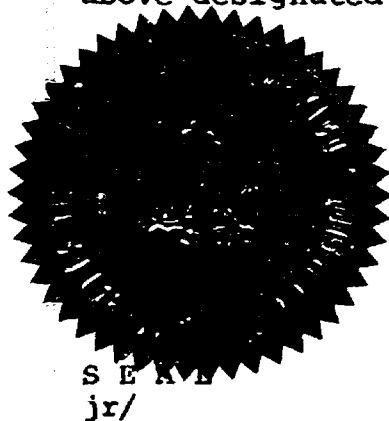
Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the High Hope-Abo Gas Pool or in the Abo formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That the operator in the High Hope-Abo Gas Pool first obtaining a gas connection shall notify the Secretary-Director of the Commission of such connection in writing.

(4) That this cause shall be reopened at an examiner hearing approximately one year from the date of first connection, at which time the operators in the High Hope-Abo Gas Pool may appear and show cause why said pool should not be developed on 160-acre spacing units.

(5) 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

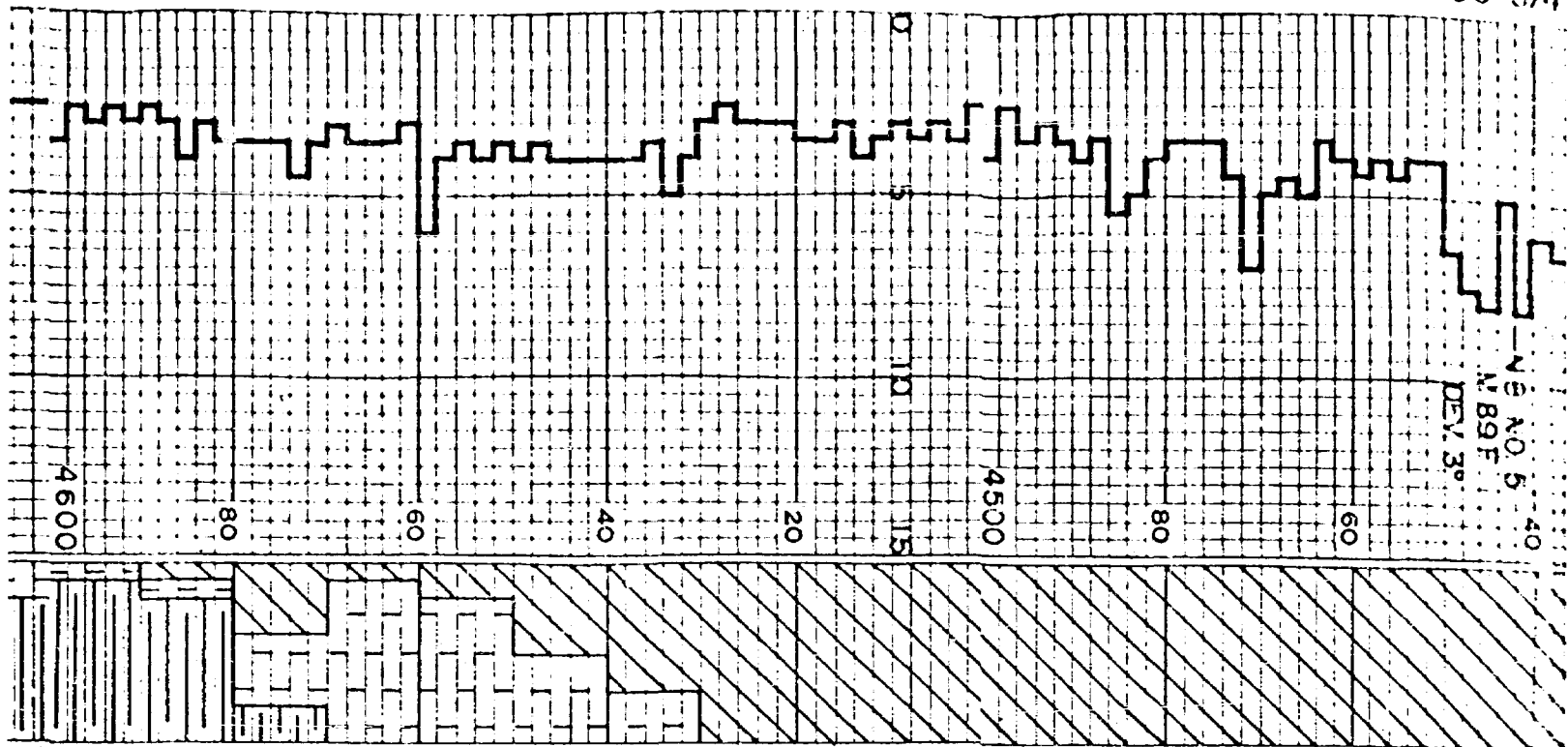
*Phil R. Lucero*  
PHIL R. LUCERO, Member

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

1	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
2	G.D. Williamson 8-1-74 1019	G.D. Williamson 8-1-74 1019	C.W. Williams 8-1-74 1019	C.W. Williams 8-1-74 1019	G.D. Williamson 8-1-74 1019	Amoco 8-1-74 1019	Buick 8-1-74 1019	J.J. Grynberg 8-1-74 1019	R.L. Duncan 8-1-74 1019
33	Michael 8-1-74 1019	Featherstone 8-1-74 1019	F.J. Broad 8-1-74 1019	G.D. Williamson 8-1-74 1019	J.J. Grynberg 8-1-74 1019	36	31	32	33
34	U.S.	U.S.	U.S.	U.S.	U.S.	State	U.S.	State	U.S.
35	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
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78	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
79	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
80	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
81	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
82	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
83	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
84	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
85	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
86	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
87	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
88	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
89	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
90	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
91	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
92	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
93	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
94	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
95	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
96	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
97	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
98	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
99	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
100	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.

BEFORE EXAMINER STAMETS  
OIL CONC. EXHIBIT NO. 1  
CASE NO. 5385  
Submitted 1/8/75  
Hearing Date 1/8/75

Exhibit I



ACCT SE CLYTH

DOLO: BF TN MOTT VFX M ANNT INCLU  
SM DK BRN DNS HD SILIC I.P.

DOLO: DARKER BRN

DOLO: AS ABOVE TR DEAD STAIN

DOLO: CY BRN MOTT DNS SM VFX SL TR  
FX DK BRN DNS HD

DOLO: BF V LT CY DNS M SFT BRN MOTT  
DNS SIDE EDGE XLS POSS FRAC  
V SL TR FLUO TR CUT

NOTE: DRILLING ROUGH  
Same as above plus of about 1/2  
DOLO: AS ABOVE plus of about 1/2

DOLO: BF LT BRN MOTT DNS WHT BF DNS  
SFT SM DK BRN DNS HD

LS: BRN DK BRN MOTT FRAG DNS

DOLO: WHT BF TN DNS SM SFT

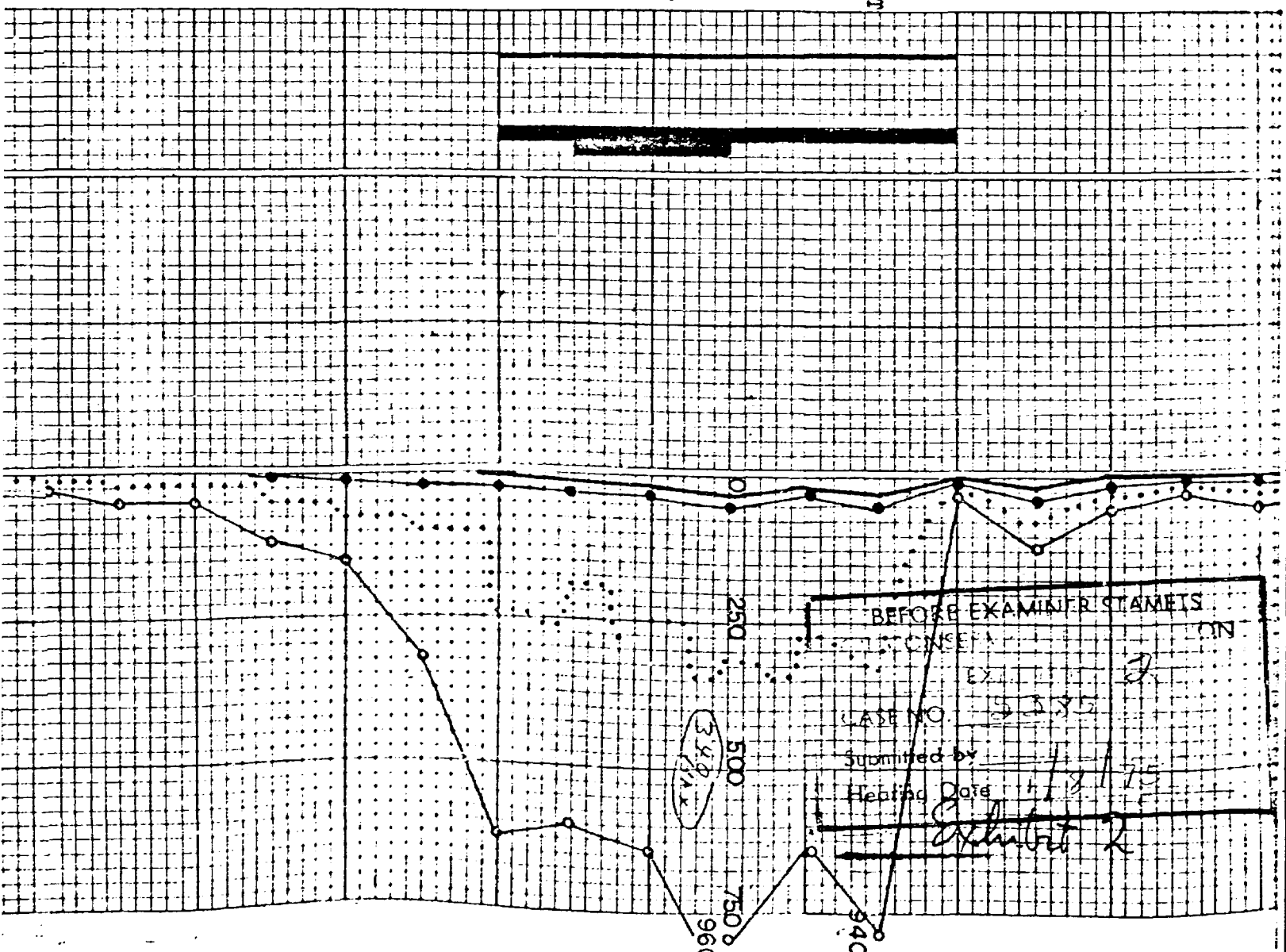
LS: TN BRN MOTT FRAG DNS WHT BF SFT  
CY BRN DNS HD POSS I.P.

DRILLING ROUGH

SH: M CY VF SILT

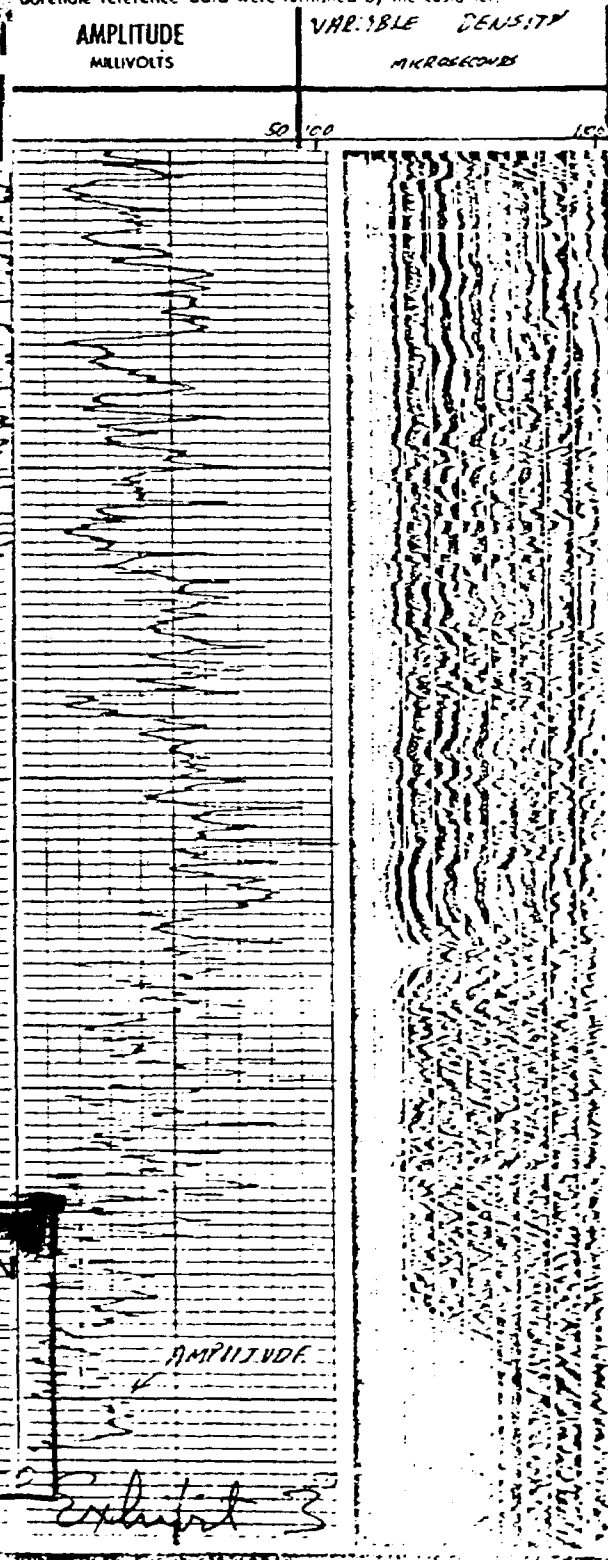
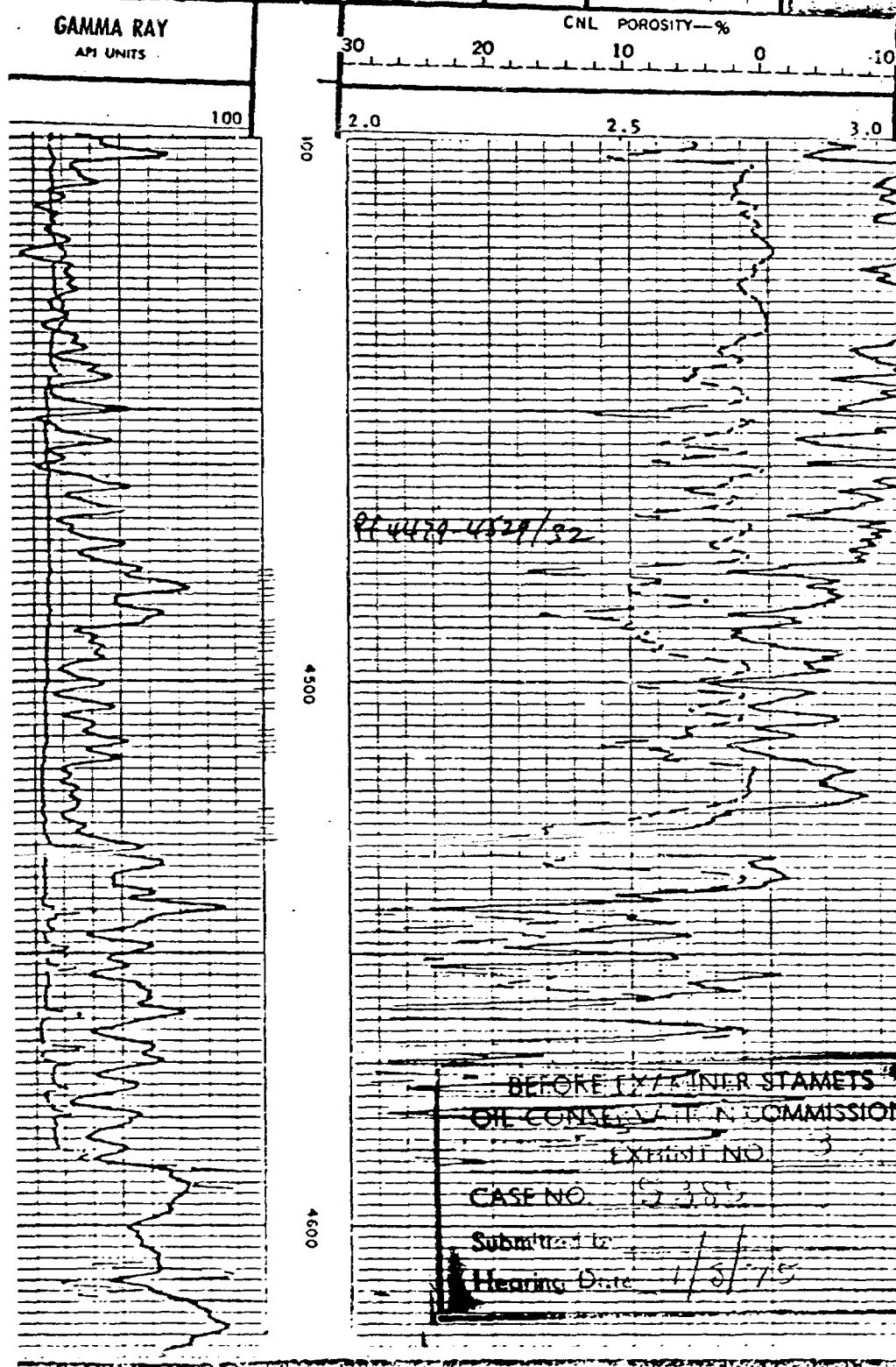
SH: BRN SM BRN PURPLE VF SILT SM  
CY GRN PYT

YS: BRN DNS WHT BF SFT CY BRN DNS



COUNTY _____ FIELD OF LOCATION _____ WELL _____	COMPANY _____	
130' OR ARI SERIAL NO. _____ 460' FWT., 650' FWL Sec. 12 Top 17S Pgr. 23E	COUNTY _____ STATE _____ Edgemoor New Mexico	COMPANY <u>Nass Petroleum Corporation</u>  Well <u>Hugh Hays Federal "D" #1</u> FIELD <u>Edgemoor</u>
Payment Down _____ Elev. <u>3989</u> 13' Measured From _____ 13' Measured From <u>K.B.</u> 12 ft. Above Perm. Datum Elev. K.B. <u>3989</u> D.F. <u>3989</u> C.L. <u>3989</u>		

borehole reference data were furnished by the customer.

[illegible]

BEFORE EXHIBITOR STAMETS  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 52385  
Submitted by  
Hearing Date 1/5/75

NEW MEXICO OIL CONSERVATION COMMISSION  
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form O-122  
Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date	
Company Yates Petroleum Corp.		Connection	
Pool Wildcat (High Hope)		Formation Abo	
Completion Date 11-30-74	Total Depth 7434	Plug Back TD 6000	Elevation 3981 KB
Fracture Length High Hope "DJ" Frac.			
Csg. Size 5 1/2"	Wt. 15.5	Set At 6010'	Perforations: From 4478 To 4529
Tub. Size 2-3/8"	Wt. 4.7	Set At 4436	Perforations: From To
Type Well - Single - Bradenhead - G.C. or G.O. Multiple Single		Prover Set At -	County Eddy
Producing Thru Tubing	Reservoir Temp. °F 96	Mean Annual Temp. °F 13.2	State New Mexico
L 4436	H 4504	G <sub>g</sub> 0.629	% CO <sub>2</sub> 1.06
		% N <sub>2</sub> 1.59	% H <sub>2</sub> S -
		Prover X	Meter Run 1120

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
1.	2 x 3/4			3		61	1194	56			1 hr
2.				13		60	1121	66			1 hr
3.				29		55	1060	63			1 hr
4.				56		51	936	59			1 hr
5.							596	54			

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor F <sub>g</sub>	Super Compress. Factor, F <sub>pv</sub>	Rate of Flow Q, Mcfd
1.	9.453		16.2	0.990	1.261	1.001	191
2.			26.2	1.000		1.002	313
3.			42.2	1.005		1.003	507
4.			69.2	1.009		1.007	838
5.							

NO.	P <sub>r</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio	Dry gas	Mcfd/bbl.
1.	.02	521	1.44	.9977	A.P.I. Gravity of Liquid Hydrocarbons		
2.	.04	520	1.44	.9954	Specific Gravity Separator Gas	.629	XXXXXXX
3.	.06	515	1.42	.9950	Specific Gravity Flowing Fluid	XXXXX	
4.	.10	511	1.41	.9870	Critical Pressure	672	P.S.I.A.
5.					Critical Temperature	362	R

NO.	P <sub>r</sub> <sup>2</sup>	P <sub>w</sub>	P <sub>r</sub> <sup>2</sup>	P <sub>r</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup>	(1) $\frac{P_r^2}{P_r^2 - P_w^2} = 2.630$	(2) $\left[ \frac{P_r^2}{P_r^2 - P_w^2} \right]^n = 2.21$
1	1286.4		1627.9	341.5		
2	1151.8		1454.2	302.4		
3	901.0		1143.4	242.4		
4	371.1		477.9	106.8		
5						

Absolute Open Flow 1120		Submitted by Mcd # 15,025		Angle of Slope 9		Slope, n 8185	
Remarks:		Hearing Date 1/3/75		Exhibit 4			
Approved By Commission:		Conducted By: Don Weaver		Calculated By: Eddie Mahfood		Checked By:	



- CASE 5381: Application of Mobil Oil Corporation for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Eunice-San Andres Pool, Lea County, New Mexico, including a provision for a limiting gas-oil ratio of 5,000 to 1.
- CASE 5382: Application of Helco Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Los Medanos-Atoka Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian Gas Pools rather than the present 160-acre spacing.
- CASE 5383: Application of Union Texas Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Crosby Deep Well No. 3, located in Unit J of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico, in such a manner as to produce oil from the Fusselman formation and gas from the McKee formation through parallel strings of tubing.
- CASE 5384: Application of Atlantic Richfield Company for a non-standard gas proration unit, three unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising W/2 NE/4, W/2 SE/4, SE/4 SE/4, and SE/4 SW/4 of Section 32, Township 24 South, Range 37 East, Lea County, New Mexico, to be simultaneously dedicated to its State 157-E Well No. 1, located 2310 feet from the North and East lines, its State 157-C Com Well No. 1, located 330 feet from the South line and 2310 feet from the East line, and its State 157-C Well No. 2, located 990 feet from the South line and 330 feet from the East line, all unorthodox gas well locations in said Section 32.
- CASE 5385: Application of Yates Petroleum Corporation for pool creation and special pool rules and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the High Hope-Abo Gas Pool in Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 320-acre spacing and proration units. Applicant further seeks approval for the unorthodox location of its High Hope DJ Federal Well No. 1, located 690 feet from the North line and 480 feet from the West line of Section 13, Township 17 South, Range 23 East, Eddy County, New Mexico, the W/2 of said Section 13 to be dedicated to the well.
- CASE 5386: Application of Yates Petroleum Corporation for four dual completions and one unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following dual completions in Township 17 South, Range 25 East, Eddy County, New Mexico:





YATES BUILDING - 207 SOUTH 4TH ST.  
ARTESIA, NEW MEXICO - 88210

December 6, 1974

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

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

Re: Non-Standard Location & Spacing  
High Hope Abo (Gas), D-13-17S-23E

Dear Sir:

The High Hope DJ Federal No. 1 well was a Devonian Oil Test drilled at 480' FWL and 690' FNL of Section 13-17S-23E on a topographic crest. The well is now plugged back for a gas well completion in the lower Abo. The well is a wildcat and the suggested name for the new field designation is High Hope (Abo).

Yates Petroleum Corporation seeks:

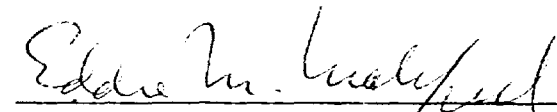
1. Approval of a non-standard gas well on 320-acre spacing,
2. 320-acre spacing for the area and,
3. Approval of a non-standard gas well location without penalty as to its deliverability.

It is our belief that this plan of development will prevent waste of a natural resource and will not jeopardise the correlative rights of offsetting lease holders. Offset Operator, Kerr McGee, is notified of this intent by copy of this letter. Yates Petroleum is the only other Offset Operator.

We ask that this hearing be set for January 8, 1975 along with the several other cases we have on docket for that date. Thank you.

Yours very truly,

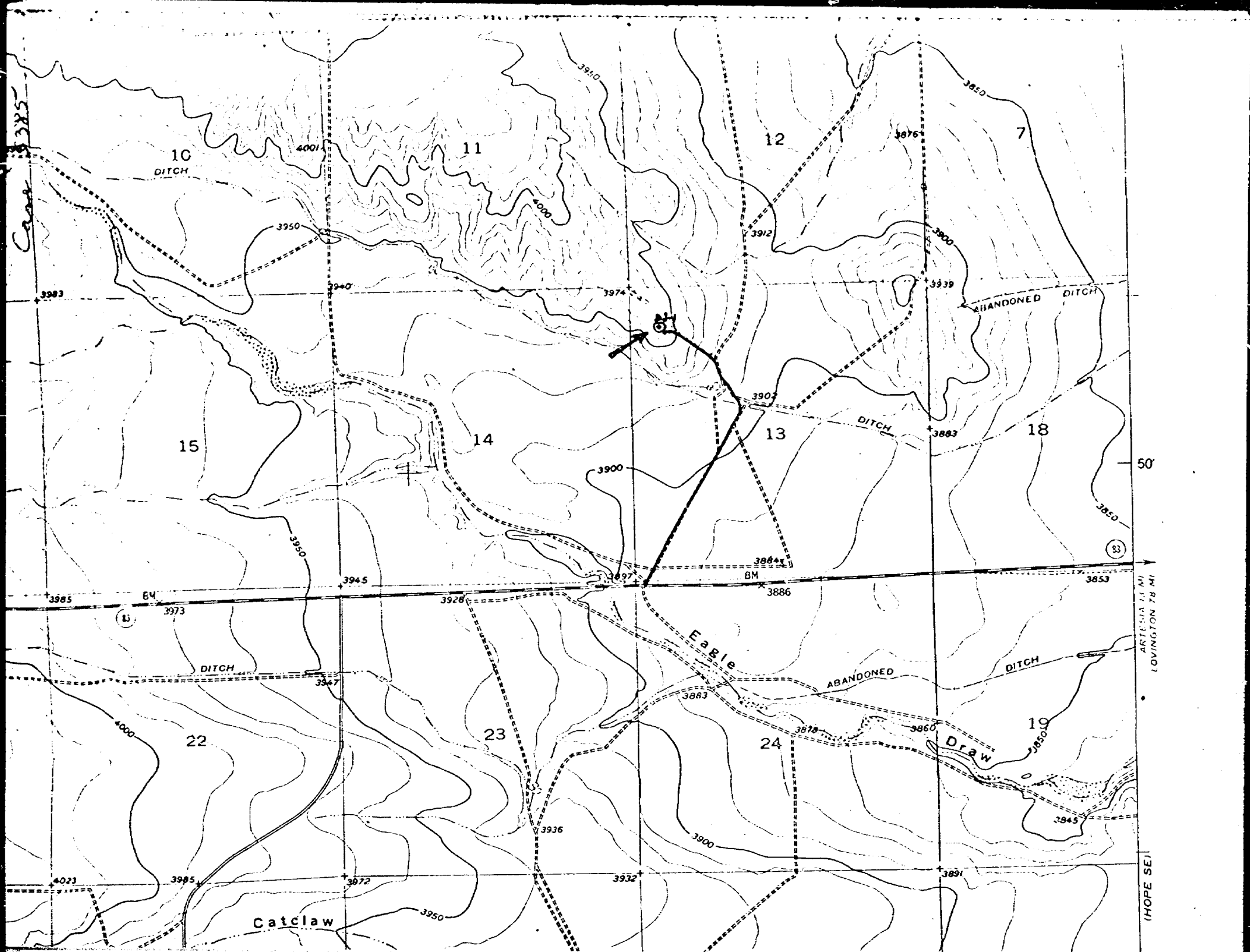
YATES PETROLEUM CORPORATION

  
Eddie M. Mahfood, Engineer

EMM/pt  
cc: Kerr McGee

DOCKET MAILED

Date 12-26-74



		Case 5385		State		State	
1	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
11/28/82	G.D. Williamson 8-1-78 130-0	G.D. Williamson 8-1-78 130-0	C.A. Evans 8-1-78 130-0	G.D. Williamson 8-1-78 130-0	Amoco 8-1-78 130-0	Blanco 8-1-78 130-0	J.J. Grynberg 8-1-78 130-0
33	Michael 8-1-78 130-0	Featherstone 8-1-78 130-0	J.J. Grynberg 8-1-78 130-0	G.D. Williamson 8-1-78 130-0	36	31	32
34	35	36	37	38	39	40	41
42	43	44	45	46	47	48	49
50	51	52	53	54	55	56	57
58	59	60	61	62	63	64	65
66	67	68	69	70	71	72	73
74	75	76	77	78	79	80	81
82	83	84	85	86	87	88	89
90	91	92	93	94	95	96	97
98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113
114	115	116	117	118	119	120	121
122	123	124	125	126	127	128	129
130	131	132	133	134	135	136	137
138	139	140	141	142	143	144	145
146	147	148	149	150	151	152	153
154	155	156	157	158	159	160	161
162	163	164	165	166	167	168	169
170	171	172	173	174	175	176	177
178	179	180	181	182	183	184	185
186	187	188	189	190	191	192	193
194	195	196	197	198	199	200	201
202	203	204	205	206	207	208	209
210	211	212	213	214	215	216	217
218	219	220	221	222	223	224	225
226	227	228	229	230	231	232	233
234	235	236	237	238	239	240	241
242	243	244	245	246	247	248	249
250	251	252	253	254	255	256	257
258	259	260	261	262	263	264	265
266	267	268	269	270	271	272	273
274	275	276	277	278	279	280	281
282	283	284	285	286	287	288	289
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298	299	300	301	302	303	304	305
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314	315	316	317	318	319	320	321
322	323	324	325	326	327	328	329
330	331	332	333	334	335	336	337
338	339	340	341	342	343	344	345
346	347	348	349	350	351	352	353
354	355	356	357	358	359	360	361
362	363	364	365	366	367	368	369
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378	379	380	381	382	383	384	385
386	387	388	389	390	391	392	393
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914	915	916	917	918	919	920	921
922	923	924	925	926	927	928	929
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946	947	948	949	950	951	952	953
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962	963	964	965	966	967	968	969
970	971	972	973	974	975	976	977
978	979	980	981	982	983	984	985
986	987	988	989	990	991	992	993
994	995	996	997	998	999	1000	1001

REQUEST FOR THE EXTENSION OF AN EXISTING POOL  
OR  
THE CREATION OF A NEW POOL

TO: The Oil Conservation Commission  
State of New Mexico

Date 12-5, 1974

The Yates Petroleum Corporation High Hope "DJ" Federal  
Name of Operator Name of Lease

1 Located 480 feet from the West line and 690 feet  
Well No.

from the North line of 13 17S 23E  
Section Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted here-  
with on form C-105, we hereby request that the  
pool be extended to include the following described area

or that a new pool be created to include the following described area W/2 Section 13-17S-23E  
Eddy County, New Mexico

Suggested name: High Hope

Yates Petroleum Corporation  
Operator

Name of Producing Formation: Abo

Eddie M. Lutz  
Representative

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*

(See other In-  
structions on  
reverse side)Form approved.  
Budget Bureau No. 42-R355.5.

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM 0559512	
1b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. REPAIR <input type="checkbox"/> Other _____		6. IF INDIAN, ACHOTEE OR TRIBE NAME	
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 207 So. 4th St., Artesia, New Mexico 88210		8. FARM OR LEASE NAME High Hope "DJ" Fed.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 480' FWL and 690' FNL of Sec. 13-17S-23E At top prod. interval reported below At total depth		9. WELL NO. 1	
14. PERMIT NO.		DATE ISSUED	
15. DATE SPUDDED 6-5-74		16. DATE T.D. REACHED 8-5-74	
17. DATE COMPL. (Ready to prod.) 11-30-74		18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3981' KB	
19. ELEV. CASINGHEAD 3969'		20. TOTAL DEPTH, MD & TVD 7434'	
21. FLUG, BACK T.D., MD & TVD 6000'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY 0-7434		24. ROTARY TOOLS CABLE TOOLS	
25. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 4479-4529' Lower Abo		26. WAS DIRECTIONAL SURVEY MADE No	
27. TYPE ELECTRIC AND OTHER LOGS RUN CNL - FDC - MLL - ML, BHC and DLL		28. WAS WELL CORED No	
29. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
Set 20" conductor pipe at 30' w/3 yards Ready Mix			
8 5/8"	24#	1282'	12 1/4"
5 1/2"	15.5#	6912'	7 7/8"
30. CEMENTING RECORD			
AMOUNT PULLED			
600 sacks			
1100 sacks			
31. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
32. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2" EUE			
33. PERFORATION RECORD (Interval, size and number)			
4479-4529' 0.42" 32-jets			
34. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED		
4479-4529	5000 g 15% DS-30		
4479-4529	4000 g. 15% DS-30 plus		
	285000# 20-40 sand in		
	120000 g. gelled water		
35. PRODUCTION			
DATE FIRST PRODUCTION 11-30-74	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing		WELL STATUS (Producing or shut-in) Shut in.
DATE OF TEST 12-3-74	HOURS TESTED 3	CHOKE SIZE 3/4	PROD'N. FOR TEST PERIOD
FLOW, TUBING PRESS. 50	CASING PRESSURE -	CALCULATED 24-HOUR RATE -	OIL—BBL. -
			GAS—MCF. 111
			WATER—BBL. -
			OIL GRAVITY-API (CORR.) -
36. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented			
37. TEST WITNESSED BY Don Weaver			
38. LIST OF ATTACHMENTS Deviation Survey and Dedication Plat			
39. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <i>Eddie H. Weaver</i>		TITLE Engineer	
DATE 12-6-74			

\*(See Instructions and Spaces for Additional Data on Reverse Side)

Case 5385

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

**Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29:** "Stacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAN. DEPTH	TRUE VERT. DEPTH
<b>DRILL STEM TESTS</b>						
DST #1 6647-6725' - Test misrun - Tool plugged.				San Andres	302	
DST #2 6649-6827' - TO 30", SI 60", TO 60", SI 120". Op w/wk blow, steady, Re-op w/wk blow, decrg. Unseated pkr and test tool anchor stuck - unable to complete test.				Glorieta	1627	
				Tubb	2960	
				Abo	3617	
				Wolfcamp	4530	
				Chester	6838	
				Miss. Ls	6936	
				Devonian	7359	

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

Operator <b>Yates Petroleum Corporation</b>			Lease <b>High Hope "DJ" Federal</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>13</b>	Township <b>17S</b>	Range <b>23E</b>	County <b>Eddy</b>	
Actual Footage Location of Well:					
480 feet from the West		line and 690 feet from the North		line	
Ground Level Elev. <b>3969'</b>	Producing Formation <b>Abo</b>	Pool <b>Wildcat</b>		Dedicated Acreage: <b>320</b> Acres	

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).
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

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.

		<p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Eddie M. Mahfod</i></p> <p>Name <b>Eddie M. Mahfod</b></p> <p>Position <b>Engineer</b></p> <p>Company <b>Yates Pet. Corporation</b></p> <p>Date <b>12-5-74</b></p> <p>I hereby certify that the well 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.</p> <p><b>Refer to Original Plat</b></p> <p>Date Surveyed</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>Certificate No.</p>
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DEVIATION SURVEY

Yates Petroleum Corporation

High Hope "DJ" Federal No. 1

480' FWL and 690' FNL of Section 13-17S-23E

Eddy County, New Mexico

Depth Feet

588'  
1285 '  
1768'  
2728'  
3168'  
4148'  
4443'  
4956'  
5436'  
5666'  
6111'  
6610'  
7023'  
7440'

Deviation

1/2 deg.  
1 1/2 deg.  
1 1/4 deg.  
1-3/4 deg.  
1-3/4 deg.  
1-3/4 deg.  
3 deg.  
2 deg.  
2 deg.  
1-3/4 deg.  
1-3/4 deg.  
1 1/2 deg.  
2 deg.  
3 1/4 deg.

Sworn to this 5th day of December, 1974.

*Eddie M. Mahfood*

Eddie M. Mahfood  
Engineer for  
Yates Petroleum Corporation

STATE OF NEW MEXICO )

: ss

COUNTY OF EDDY )

The foregoing instrument was acknowledged before me this 5th day of December, 1974 by Eddie M. Mahfood agent for Yates Petroleum Corporation.

My Commission expires

December 30, 1975

*William L. Schaefer*

Notary public in and for  
Eddy County, New Mexico



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:

APPLICATION OF ~~SKELLY OIL COMPANY~~  
FOR POOL CREATION AND SPECIAL POOL  
RULES, EDDY COUNTY, NEW MEXICO.

CASE NO. ~~4899~~  
Order No. ~~R-4477~~

~~R-4951~~  
NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this ~~14th~~ 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, ~~Skelly Oil Company~~, seeks the  
creation of a new gas pool for ~~new~~ production in Eddy County,  
New Mexico, and the promulgation of special rules and regulations  
governing said pool, including a provision for ~~640~~-acre spacing  
and proration units and fixed well location requirements.

(3) That the ~~Skelly Oil Company~~ Cedar Canyon Well No. 1,  
located ~~448~~ feet from the ~~South~~ line and ~~776~~ feet from the ~~East~~ line of  
Section ~~8~~, Township ~~24~~ South, Range ~~29~~ East, NMPM, Eddy  
County, New Mexico, having its top perforations at ~~13,862~~ feet,  
has discovered a separate common source of supply which should  
be designated the ~~Cedar Canyon Morrow~~ Gas Pool; that the vertical  
limits of said pool should be the ~~Morrow~~ formation and that the  
horizontal limits of said pool should be ~~all~~ of said Section ~~8~~. ~~13~~.

(4) That in order to prevent the economic loss caused by  
the drilling of unnecessary wells, to avoid the augmentation of  
risk arising from the drilling of an excessive number of wells,  
to prevent reduced recovery which might result from the drilling  
of too few wells, and to otherwise prevent waste and protect  
correlative rights, temporary special rules and regulations  
providing for ~~640~~-acre spacing units should be promulgated for  
the ~~Cedar Canyon Morrow~~ Gas Pool.

High Hope - 1960

~~of initial gas connection and sales~~  
Case No. 4899  
Order No. R 4477

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

of initial connection  
of wells in said  
pool to a gas  
transportation  
facility;

(6) That special rules and regulations should be established for a temporary period to expire ~~two~~ <sup>two</sup> years from the date of this order; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing ~~during the month of February, 1975~~, at which time the operators in the Cedar Canyon-Morrow Gas Pool should appear and show cause why said pool should not be developed on 320-160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for ~~Morrow~~ production, is hereby created and designated the Cedar Canyon-Morrow Gas Pool, with vertical limits comprising the Morrow formation and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP ~~17~~ SOUTH, RANGE ~~23~~ EAST, NMPM  
Section ~~9~~: ~~13~~ <sup>13</sup> W/2

HH-A (2) That temporary Special Rules and Regulations for the Cedar Canyon-Morrow Gas Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE

HH-A CEDAR CANYON-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Cedar Canyon-Morrow Gas Pool or in the Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing ~~640~~ <sup>320</sup> acres, more or less, consisting of a governmental section.

The N/2, S/2, E/2, or W/2 of

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(7) That the operators in said pool should notify the Secretary-Director of the Commission of the date of first gas connection in said pool.

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located ~~no nearer than 1650 feet~~

*Set Under* not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary of the dedicated tract nor closer than 330 feet to any quarter-quarter section<sup>line</sup> or subdivision inner boundary. *under*

... are hereby approved;  
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 on or before ~~April 1, 1973~~ March 1, 1975.

(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 ~~Cedar Canyon-Morrow~~ <sup>H. D. B.</sup> Gas Pool shall have dedicated thereto ~~640~~ <sup>320</sup> acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating ~~640~~ <sup>320</sup> acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the ~~Cedar Canyon-Morrow~~ <sup>H. D. B.</sup> Gas Pool or in the ~~Morrow~~ <sup>H. D. B.</sup> formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool. 144-17

(3) <sup>approximately one year from the date of this order</sup> (4) That this cause shall be reopened at an examiner hearing ~~during the month of February, 1975~~ <sup>on February 1, 1975</sup>, at which time the operators in the ~~Cedar Canyon-Morrow~~ <sup>H. D. B.</sup> Gas Pool may appear and show cause why said pool should not be developed on ~~320~~ <sup>160</sup>-acre spacing units. (3)

(5) 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

BRUCE KING, Chairman

ALEX J. ARMUJO, Member

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

S E A L

dr/

(3) That the operator in the High Hope-  
Rbo Gas Pool first obtaining a gas  
connection shall notify the Secretary-  
Director of the Commission of such connection  
in writing.