

CASE NO. 5442: DAVID FASKEN FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

CASE No.

5442

Application,

Transcripts,

Small Exhibits

ETC.

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

EXAMINER HEARING

----- )  
 IN THE MATTER OF: )  
 )  
 Case 5442. Application of David )  
 Fasken for an unorthodox gas well )  
 location, Eddy County, New Mexico. )  
 Applicant, in the above styled )  
 cause, seeks the creation of a new ) CASE # 5442  
 pool for Bone Spring production for )  
 its Jennings-Federal Well No. 1, )  
 located in Unit F of Section 15, )  
 Township 19 South, Range 32 East, )  
 Lea County, New Mexico, and the )  
 promulgation of special pool rules )  
 therefor, including a provision for )  
 160-acre proration units. )  
 ----- )

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil  
Conservation Commission:

William H. Carr, Esq.  
Legal Counsel for the Com-  
mission  
State Land Office Building  
Santa Fe, New Mexico 87501

For David Fasken:

Sumner Buell, Esq.  
MONTGOMERY, FEDERICI, ANDREWS,  
HANNAHS & BUELL  
350 Palace Avenue  
Santa Fe, New Mexico 87501

I N D E X

Testimony of James B. Hendry

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Nutter 7

E X H I B I T S

Exhibit 1 and 2 7

MR. NUTTER: Case 5442.

MR. CARR: Application of David Fasken for an un-  
orthodox gas well location, Eddy County, New Mexico.

MR. BUELL: Mr. Examiner, Sumner Buell, appearing on  
behalf of the applicant. We have one witness.

(Witness sworn.)

JAMES B. HENDRY,

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

DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your name, by whom you're em-  
ployed and in what capacity and where?

A I'm James B. Hendry, Midland, Texas, Hendry  
Engineering, appearing here today for applicant David  
Fasken.

Q And have you previously testified before the  
Commission and had your qualifications accepted as a  
matter of record?

A Yes, I have.

Q And are you familiar with what is sought in  
the application in Case 5442?

A Yes, I am.

Q And would you briefly outline what that is?

A We seek here an unorthodox location for a gas well in the Cemetery-Morrow Pool, to be located in a drilling and spacing unit comprising the north half of Section 28, Township 20 South, Range 25 East, Eddy County, New Mexico. We seek to drill the well in Unit D, 660 feet from the north line, 660 feet from the west line of said Section 20A.

Q Referring you to what has been marked as Exhibit 1, would you please explain what that shows?

A Exhibit 1 is a composite map showing the south end of the Cemetery Field and the data immediately adjacent to this proposed unorthodox location. The blue line contours on here and the blue line numbers near each well depict the sub-surface depth of the -- sub-C depth of the top of the Morrow-Triassic zone. The letters A, B, and C, or various combinations of them, beside each well show the productive zones within the Morrow that are producing in each well in the area adjacent to the proposed drilling and spacing unit under consideration here for the unorthodox location.

The yellow lines outline the drilling and spacing units currently assigned to producing wells in the south

end of the Cemetery-Morrow Pool, and the north end of the Indian Basin-Morrow Pool.

The section spacing on the south end of this exhibit in Sections 31 and 32 of Township 20 South, Range 25 East, and Sections 4 and 5 of Township 21 South, Range 25 East, show the portion of the Indian Basin-Morrow Pool that has section spacing or 640-acre spacing. The numbers written in red show the calculated absolute open flow potential of the wells in this area, which vary from 23,000 MCF per day down to 2350 MCF per day. The structural axis of the area in question has a northeast/southwest trend at about 20 degrees east of north and the better wells, as you will note, are in general located on the axis of this trend or slightly to the east of the axis of this trend.

We believe the deterioration of the open flow potential values to be laterally on either side of this trend. Reflect a poorer sand development away from this structural trend.

Q Now, Mr. Hendry, on that plat who is the off-set operator to the north and west of the proposed location?

A David Fasken.

Q Okay. Referring you to Exhibit Number 2, would

you explain what that shows, please?

A Exhibit Number 2 is a computed log of the David Fasken Cemetery-Federal Number 1, located in Section 21, and is the north offset to the proposed location. The information shown on this log, going across the first track, shows the average grain density for the formation and the secondary porosity. The second track shows the water saturation and permeability index. The fourth track, going from here left to right on the log, shows the porosity and fluid analysis by volume, and the track on the right, the last track, shows the relative percentages of clay and non-clay mineral encountered here, and the porosity. I've also depicted on here the top of the Morrow-Triassic interval that represents the datum on the map shown as Exhibit 1. It also identifies the A, B, and C Zones that are marked as producing from various wells on Exhibit Number 1.

Q Now, Mr. Hendry, is it your opinion that the granting of this application would prevent waste and protect royalty rights?

A Yes, it would.

Q And were Exhibits 1 and 2 prepared by you or under your supervision?



A Yes, they were.

MR. BUELL: I would move the introduction of Exhibits 1 and 2.

MR. NUTTER: Tasken Exhibits 1 and 2 will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hendry, what would you expect would be the productive zone that you'd encounter in a well with this proposed location?

A We think that it would be predominantly in the C Zone.

Q That's down in the lower part?

A But our predictions in this area have not been but about 50% correct in the development here as to which zone is going to be productive. It's a very complicated zoning in these reservoirs and we don't have a very firm handle on all of it yet, but we do think in this case that the C Zone would be our - marked in green here - would be our primary productive horizon.

Q Now, actually, according to your Exhibit Number 1, the proposed location would be a little bit higher than the well in Section 21, is that not right?

A That is correct.

Q And a little closer to the axis of the structure?

A Yes, that one is off the nosing off the end of the structure. In 21 that well is pretty much getting north of the producing trend and where we think the main producing trend is beginning to phase out. The two old Cemetery wells to the north in Section 17 and 16, the one in 17 has been abandoned and the other one is a very marginal producer at this time.

Q Those wells are quite old, however, are they not?

A Yes.

Q And all this development south would be the newer development?

A Right.

Q Now, the orange wells on Exhibit 1 are Morrow Wells, is that correct?

A Those are Morrow gas producers.

Q And what's the blue well?

A The blue well is a Wolfcamp gas well and dry in the Morrow.

MR. NUTTER: Are there any further questions of Mr. Hendry?

(No response.)

MR. NUTTER: He may be excused. Do you have anything further, Mr. Buell?

MR. BUELL: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5442?

(No response.)

MR. NUTTER: We'll take the case under advisement.

(Hearing concluded.)

STATE OF NEW MEXICO )  
 )  
COUNTY OF SANTA FE )

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings and thereafter reduced my notes to typewritten matter; that the foregoing 9 pages, numbered 1 through 9 inclusive, constitutes a full, true and correct transcript of said proceedings.

WITNESS my hand and seal this 12th day of April, 1975, at Santa Fe, New Mexico.

*Sally Walton Boyd*  
Sally Walton Boyd  
Notary Public and General Court Reporter

My Commission expires:  
10 September 1975

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5442 heard by me on 3/19, 1975.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

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



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. 5442  
Order No. R-4990

APPLICATION OF DAVID FASKEN FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 25th day of March, 1975, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, and being  
fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, David Fasken, seeks approval of  
an unorthodox location for his Feil Federal Well No. 1, to be  
drilled 660 feet from the North line and 660 feet from the  
West line of Section 28, Township 20 South, Range 25 East, NMPM,  
to test the Morrow formation, Cemetery-Morrow Gas Pool, Eddy  
County, New Mexico.
- (3) That the N/2 of said Section 28 is to be dedicated to  
the well.
- (4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration  
unit.
- (5) That no offset operator objected to the proposed un-  
orthodox location.

-2-

Case No. 5442  
Order No. R-4990

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

IT IS THEREFORE ORDERED:

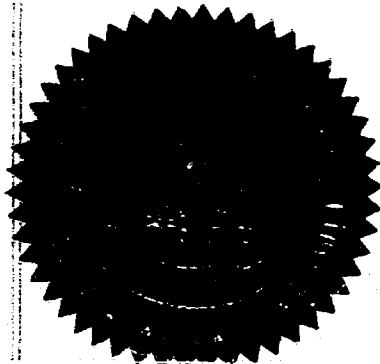
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for applicant's Feil Federal Well No. 1, to be drilled at a point 660 feet from the North line and 660 feet from the West line of Section 28, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 28 shall be dedicated to the above-described well.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

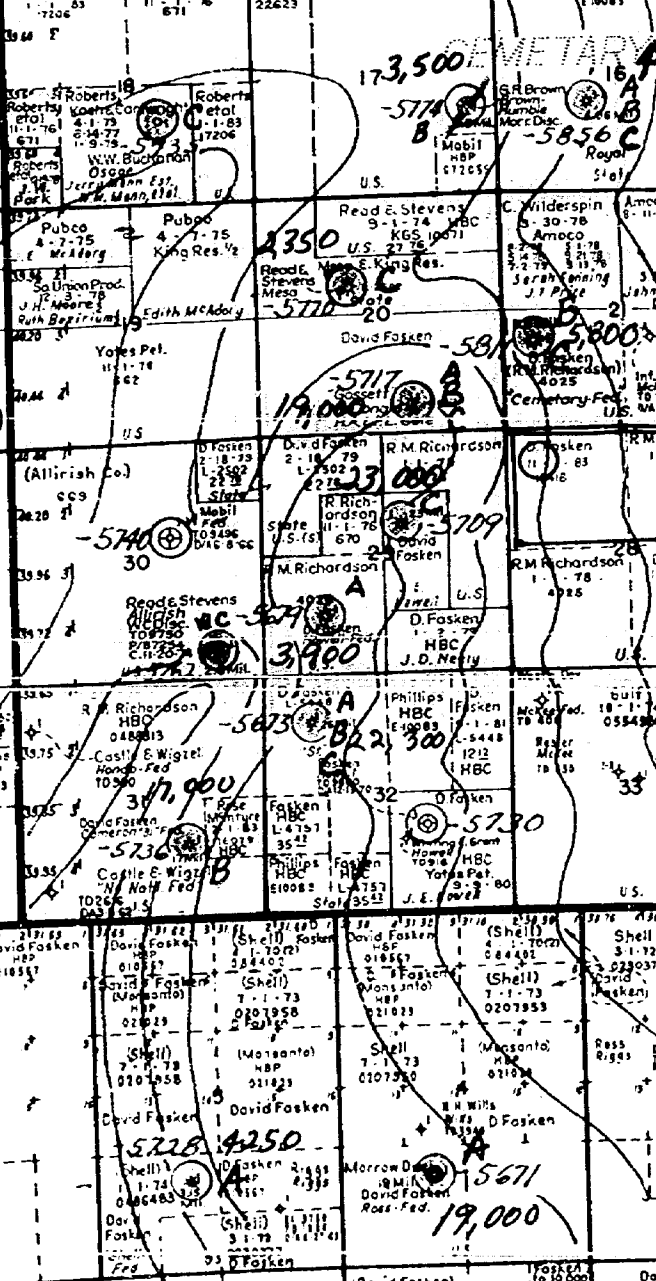
*Phil R. Lucero*  
PHIL R. LUCERO, Member

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

S E A L

jr/

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**BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION**

EXHIBIT NO. 5442

CASE NO. 5442



Docket No. 7-75

Dockets Nos. 8-75 and 9-75 are tentatively set for hearing on April 2, and April 16, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 19, 1975

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for April, 1975;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1975.

CASE 5415: (Continued from the February 19, 1975, Examiner Hearing)

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

CASE 5409: (Continued & Readvertised)

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

CASE 5438: Application of Exxon Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special rules for the Fairview Mills-Wolfcamp Gas Pool, Township 25 South, Range 34 East, Lea County, New Mexico, including a provision for 640-acre spacing units.

CASE 5439: Application of Gulf Oil Corporation for the amendment of Order No. R-4079, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order, as amended, authorized the commingling, prior to measurement, of Hobbs Grayburg-San Andres, Hobbs-Blinebry, and Bowers-Seven Rivers production from its W. D. Grimes "A" and "B" Leases in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico, to include in said commingling authority Hobbs-Drinkard production.

CASE 5440: Application of Gulf Oil Corporation for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its South Penrose Skelly Wells Nos. 220 and 262 to be located, respectively, 1034 feet from the South line and 2635 feet from the West line of Section 5 and 1300 feet from the South line and 1139 feet from the East line of Section 8, both in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2794 to provide an administrative procedure for the approval of additional unorthodox locations for injection and producing wells within the South Penrose Skelly Unit Area.

CASE 5441: Application of J. Gregory Merrion and Robert L. Bayless for down-hole commingling, Rio Arriba County, New Mexico. Applicants, in the above-styled cause, seek authority to commingle undesignated Gallup and Basin-Dakota production in the wellbore of the El Paso Canyon Largo NP Well No. 1, located in Unit K of Section 3, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5442: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Feil Federal Well No. 1, to be drilled 660 feet from the North and West lines of Section 28, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 28 to be dedicated to the well.

CASE 5443: Application of Sun Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Bone Spring production for its Jennings-Federal Well No. 1, located in Unit F of Section 15, Township 19 South, Range 32 East, Lea County, New Mexico, and the promulgation of special pool rules therefor, including a provision for 160-acre proration units.

CASE 5444: Application of C & K Petroleum, Inc., for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new gas pool for production from the Wolfcamp formation for its Harold Olive Com No. 1 Well, located in Unit O of Section 14, Township 22 South, Range 26 East, Eddy County, New Mexico, and the promulgation of temporary special rules therefor, including a provision for 320-acre spacing units.

CASE 5445: Application of C & K Petroleum, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 or, in the alternative, the SE/4 of Section 14, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Harold Olive Com Well No. 1, located at an orthodox location in the SE/4 of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

Examiner Hearing - Wednesday - March 19, 1975

Docket No. 7-75  
-3-

CASE 5446: Application of C & K Petroleum, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new oil pool for Strawn production for its Shipp "27" Well No. 1, located in Unit 0 of Section 27, Township 16 South, Range 37 East, Lea County, New Mexico, and the promulgation of temporary special rules therefor, including a provision for 80-acre proration units.

CASE 5447: Application of C & K Petroleum, Inc., for amendment of Order No. R-4857, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4857, which order pooled all mineral interests in the Pennsylvanian formation underlying the SW/4 SE/4 of Section 27, Township 16 South, Range 37 East, Lea County, New Mexico, to pool all such mineral interests underlying the S/2 SE/4 of said Section 27.

CASE 5428: (Continued from the February 19, 1975, Examiner Hearing)  
Application of Amax Chemical Corporation for the extension of the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Potash-Oil Area in Eddy County, New Mexico, as defined by Order No. R-111-A, as amended, by the addition of the following described lands:

TOWNSHIP 19 SOUTH, RANGE 29 EAST

Section 13: S/2 SE/4

Section 14: W/2 SW/4

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

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

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 14: W/2 NE/4

Section 18: SW/4

1st March 1975

Case 5442

FILED  
MAR 17 1975  
OIL CO.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)  
OF DAVID FASKEN FOR AN UNORTHO- )  
DOX WELL LOCATION IN SECTION 28, )  
TOWNSHIP 20 SOUTH, RANGE 25 EAST )  
EDDY COUNTY, NEW MEXICO )

APPLICATION

Comes now David Fasken and applies to the Oil Conservation Commission of the State of New Mexico for an Order allowing him to drill a gas well in an unorthodox location and in support thereof states:

1. Applicant is a designated operator of its proposed David Fasken Feil Federal No. 1 Well to be drilled in Section 28, Township 20 South, Range 25 East, Eddy County, New Mexico.
2. Applicant proposes to drill the said well to the Morrow Formation and the well will be located 660 feet from the North line and 660 feet from the West line of said Section 28, Township 20 South, Range 25 East, Eddy County, New Mexico.
3. The proposed location is within one mile of the outer limits of the Cemetery Morrow Gas Pool in Eddy County, New Mexico which is being developed on 320 acres spacing.
4. The reason for the proposed unorthodox location is that the applicant will gain geologic advantage in having a successful completion of the well.
5. Other operators that may be interested in this application are:

(a) Gulf Oil Corporation  
F.O. Box 670  
Hobbs, New Mexico 88240  
  
Att: C. D. Borland, Jr.

**DOCKET MAILED**

Date 3/16/75

(b) Amoco Production Company  
P.O. Box 376  
Andrews, Texas 79714

Att: Alex Clark, Jr.

(c) Exxon Corporation  
1700 West Broadway  
Andrews, Texas 79714

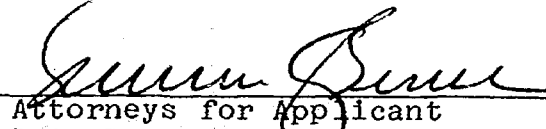
Att: B. J. Imgram

6. This matter may be set before the Commission or one of its designated examiners as may be convenient.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,  
HANNAHS & BUELL

By



Attorneys for Applicant  
P.O. Box 2307  
Santa Fe, New Mexico 87501

DRAFT

*W*

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. 5442

Order No. R-4990

APPLICATION OF DAVID FASKEN FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

*DF*

*[Signature]*

*[Signature]*

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

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

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, David Fasken, seeks approval of an unorthodox location for his Feil Federal Well No. 1, to be drilled 660 feet from the North line and 660 feet from the West line of Section 28, Township 20 South, Range 25 East, NMPM, to test the Morrow formation, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

-2-

Case No. 5442  
Order No. R-

(3) That the N/2 of said Section 28 is to be dedicated to the well.

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

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

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

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for applicant's Feil Federal Well No. 1, to be drilled at a point 660 feet from the North line and 660 feet from the West line of Section 28, Township 20 South, Range 25 East, NMPM, Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 28 shall be dedicated to the above-described well.

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

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