

CASE 6722: LLOYD DAVIDSON FOR AN UN-
KNOWN WELL LOCATION, MCKINLEY
COUNTY, NEW MEXICO

CASE Number

6722

Application

Transcripts.

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
14 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Lloyd Davidson for an
unorthodox oil well location,
McKinley County, New Mexico.

CASE
6722

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (505) 471-2403
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHC. HAND REPORTER
3020 Plaza Blanca (999) 471-3462
Santa Fe, New Mexico 87501

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MR. NUTTER: Call next Case Number 6722.

MR. PADILLA: Application of Lloyd Davidson
for an unorthodox oil well location, McKinley County, New
Mexico.

MR. DAVIDSON: I'd like to represent myself
in this matter, if I may.

(Witness sworn.)

MR. NUTTER: Will you proceed, Mr. David-
son?

MR. DAVIDSON: This is an application for
an unorthodox location to drill an Entrada test in Section
29 of 16 North, 6 West, McKinley County, New Mexico.

MR. NUTTER: For the record, would you
state your name?

MR. DAVIDSON: Lloyd Davidson.

MR. NUTTER: And you're representing your-
self in this case?

MR. DAVIDSON: Yes. Yes.

MR. NUTTER: Please proceed.

MR. DAVIDSON: We own the lease. I own
the lease on the entire section of Section 29.

We've had some shooting done in the area
and we've come up with a small high, and a regular location

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (505) 411-2442
Santa Fe, New Mexico 87501

1 would be not on the inner contour of this seismic picture.
2 We have requested, therefore, that we move
3 the location west some 200 feet or so, 300, so as to be on
4 the inner contour of this seismic high on the Entrada forma-
5 tion.

6 I have Exhibit One here, which shows the
7 seismic survey, together with the location that's -- that's
8 requested.

9 MR. NUTTER: Could I see that exhibit,
10 please?

11 MR. DAVIDSON: Yes, sir.

12 MR. NUTTER: So you've got an elongated
13 north/south trending anticline here that you want to get up
14 on to drill this test well, is that it?

15 MR. DAVIDSON: That is correct.

16 MR. NUTTER: Now, the location of the well
17 that you propose is 960 feet from the south line and 1230
18 feet from the east line of Section 29, is that it?

19 MR. DAVIDSON: That is right.

20 MR. NUTTER: And that -- and you own all
21 of Section 29?

22 MR. DAVIDSON: Yes.

23 MR. NUTTER: So that location is not to-
24 wards an exterior boundary of the lease.

25 MR. DAVIDSON: No, sir.

SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

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MR. NUTTER: It's merely towards an interior
40-acre line.

MR. DAVIDSON: Correct.

MR. NUTTER: And closer to the proration
unit to the west in the event another well would be drilled
there.

MR. DAVIDSON: Yes.

MR. NUTTER: And this does enable you to
get up on the anticline.

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Mr. Davidson? He may be excused.

Do you have anything further, Mr. Davidson?

MR. DAVIDSON: No, that's all. Thank you.

MR. NUTTER: Does anyone have anything
they wish to offer in Case Number 6722?

We'll take the case under advisement.

(Hearing concluded.)

REPORTER CERTIFICATE

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

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

I do hereby certify that the foregoing is
a correct and true transcript of the proceedings in
the above hearing of Case No. 6782
heard by me on 11/14 1979.

[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (886) 471-2452
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
14 November 1979

EXAMINER HEARING

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Division:

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25 MR. DAVIDSON: No, sir.

SALLY WALTON BOYD
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8030 Plaza Blanca (SOS) 671-2462
Santa Fe, New Mexico 87501

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We'll take the case under advisement.

(Hearing concluded.)

REPORTER CERTIFICATE

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

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6722
heard by me on 11/14 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza Blanca (S-65) 471-2462
Santa Fe, New Mexico 87501



BRUCE KING
GOVERNOR
LARRY KEHUE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 27, 1979

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

Mr. Lloyd Davidson
P. O. Box 2182
Santa Fe, New Mexico

Re: CASE NO. 6722
ORDER NO. R-6192

Applicant:

Lloyd Davidson

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6722
Order No. R-6192

APPLICATION OF LLOYD DAVIDSON
FOR AN UNORTHODOX OIL WELL
LOCATION, MCKINLEY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of November, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Lloyd Davidson, seeks approval of an unorthodox well location for his Santa Fe Pacific Well No. 1 to be located 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, NMPM, to test the Gallup, Entrada, and Dakota formations, McKinley County, New Mexico.

(3) That the SE/4 SE/4 of said Section 29 is to be dedicated to the well.

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

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

-2-

Case No. 6722
Order No. R-6192

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 oil well location for the Gallup, Entrada and Dakota formations is hereby approved for the Lloyd Davidson Santa Fe Pacific Well No. 1 to be located at a point 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, NMPM, McKinley County, New Mexico.

(2) That the SE/4 SE/4 of said Section 29 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 Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director


S E A L

dr/

LLOYD DAVIDSON

P. O. BOX 2182

SANTA FE, NEW MEXICO 87501

BEFORE THE COMMISSIONER OF THE
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>1</u>
CASE NO. <u>6722</u>

505-983-9689

November 14, 1979

Re: Case No. 6722
Hearing
November 14, 1979

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

This is an application by Lloyd Davidson for permission to drill his No. 1 Santa Fe Pacific Entrada sand test well at an unorthodox location, as follows: 1,230 feet from the East Line and 960 feet from the South Line of Section 29, Township 16 North, Range 6 West, McKinley County, New Mexico.

This request is made for geological and geophysical reasons.

The undersigned employed Reynolds Geophysical Company of Albuquerque to do a seismic survey in the area. The result of this work produced a small "High" as shown on the accompanying plat. A standard location would not be within the inner contour of this survey. In order to be within this contour the well site will have to be at an unorthodox location. Indicated on the plat with a blue dot is the standard location, being 990 feet from the East Line and 990 feet from the South Line of section 29. The red dot shows the unorthodox location proposed.

The undersigned owns an oil and gas lease covering all of the Southeast quarter of said section 29.

It is respectfully requested that permission be granted to drill this well at the unorthodox location designated.

Very truly yours,

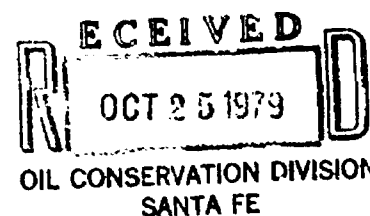
Lloyd Davidson
Lloyd Davidson

- CASE 6721: Application of Aminoil USA, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6684: (Continued from October 31, 1979, Examiner Hearing)
Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.
- CASE 6722: Application of Lloyd Davidson for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Santa Fe Pacific Well No. 1, a Gallup-Entrada-Dakota test 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, the SE/4 SE/4 of said Section 29 to be dedicated to the well.
- CASE 6723: Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 27, Township 24 North, Range 2 West, South Blanco-Pictured Cliffs Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6713: (Continued from October 31, 1979, Examiner Hearing)
Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Ranch Unit Area, comprising 18,962 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 29 and 30 East.
- CASE 6724: Application of Coquina Oil Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1650 feet from the East line of Section 7, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, the S/2 of said Section 7 to be dedicated to the well as a non-standard 320-acre proration unit.
- CASE 6725: Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6726: Application of Tesoro Petroleum Corporation for a waterflood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the South Hespah-Upper Sand Oil Pool by the injection of water into the Upper Hespah Sands through three wells located in Units E and M of Section 5 and Unit I of Section 8, Township 17 North, Range 8 West. Applicant further seeks an administrative procedure for expansion of said project.
- CASE 6727: Application of Conoco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in its Anderson Ranch Unit Well No. 8 located in Unit I of Section 11, Township 16 South, Range 32 East, Anderson Ranch Field. Applicant would dispose into the Wolfcamp, Mississippian, and Devonian formations in the overall interval from 9775 feet to 13,620 feet through selective perforations.
- CASE 6728: Application of Conoco Inc. for pressure maintenance expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Scarborough Eaves PM Project by the conversion of its Eaves "A" Well No. 7 located in Unit J of Section 19, Township 26 South, Range 37 East, to water injection in the Yates-Seven Rivers formations.

LLOYD DAVIDSON
P. O. BOX 2182
SANTA FE, NEW MEXICO 87501
505-963-9669

Case 6722

October 24, 1979



Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Lloyd Davidson hereby makes application for an unorthodox oil well location, McKinley County, New Mexico.

Applicant seeks approval for the unorthodox location of his Santa Fe Pacific Railroad Company well No. 1 for the Gallup, Dakota and Entrada formations at a point 960 feet from the South Line and 1230 feet from the East Line of Section 29, Township 16 North, Range 6 West, the Southeast quarter of the Southeast quarter of said section 29 to be dedicated to the well.

Very truly yours,

Lloyd Davidson
Lloyd Davidson

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

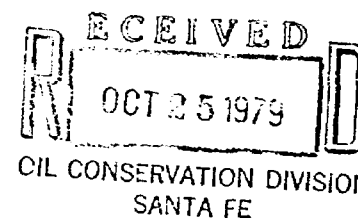
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		5A. Indicate Type of Lease STATE <input type="checkbox"/> FEDERAL <input checked="" type="checkbox"/> 5. State Oil & Gas Lease No. 7. Unit Agreement Name 8. Farm or Lease Name Santa Fe Pac. RR Co. 9. Well No. 1 10. Field and Pool, or Wildcat Wildcat 12. County McKinley
2. Name of Operator Lloyd Davidson 3. Address of Operator P. O. Box 2182, Santa Fe, New Mexico 87501 4. Location of Well UNIT LETTER <u>P</u> LOCATED <u>1230</u> FEET FROM THE <u>East</u> LINE AND <u>960</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>29</u> TWP. <u>16N</u> RSE. <u>6W</u> NMPM		
21. Elevations (Show whether DF, RT, etc.) 6505 G. L.		19. Proposed Depth 3,200' 19A. Formation Entrada 20. Rotary or C.T. Rotary 22. Approx. Date Work will start Upon Approval
21A. Kind & Status Plug. Bond One Well		21B. Drilling Contractor Corley White

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
9"	7"	20 lb.	60'	Suff. to Circulate	
6 1/2"	4 1/2"	9 lb.	3200"	Suff. to Cover 500" above Upper Hoshah	

This will be a 3,200' Entrada test. Well will be drilled to total depth, logged and cores taken, If commercial production of oil or gas is indicated, casing will be run, perforated and treated as necessary to establish production.



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 PREVENTER PROGRAM, IF ANY.

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

Signed Lloyd Davidson Title _____ Date 10-24-79
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

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 Lloyd Davidson		Lessee Santa Fe Pacific RR Co.		Well No. 1
Unit Letter P	Section 29	Township 16 North	Range 6 West	County McKinley
Actual Footage Location of Well:				
960' feet from the South line and		1230' feet from the East line		
Ground Level Elev. 6505	Producing Formation Wildcat	Pool	Dedicated Acreage 40 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 _____

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.

Lloyd Davidson
Name

Position

Company

Date
10-24-79

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.

Date Surveyed
October 18, 1979

Registered Professional Engineer and/or Land Surveyor

Fred D. Marmion
Certificate No.

2031

10-24-79

Application of Lloyd Davidson for an
unorthodox oil well location, McKinley
County, New Mexico. Applicant seeks
approval for the unorthodox location
of his Santa Fe Pacific Well No 1
~~an Entrada wildcat test well~~
for the Gallup and Entrada Formations
at a point 960 feet from the South line
and 1230 feet from the East line
of Section 29, Township 16 North,
Range 6 West, the SE/4 of the
SE/4 of said section 29 to be
dedicated to the well.

Lloyd Davidson

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6722

ORDER NO. R- 6192

APPLICATION OF LLOYD DAVIDSON

FOR AN UNORTHODOX OIL WELL LOCATION,

McKINLEY COUNTY ~~COUNTY~~, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of November, 1979, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

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

(2) That the applicant, Lloyd Davidson
for his Santa Fe Pacific Well No. 1 to be located
seeks approval of an unorthodox ~~gas~~ well location/ 960
feet from the South line and 1230 feet from the
East line of Section 29, Township 16 North
Range 6 West, NMPM, to test the Gallup, Entrada, Dakota
formation§ Pool, McKinley
County, New Mexico.

(3) That the SE/4 SE/4 of said Section 29 is to be
dedicated to the well.

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

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

-2-

Case No. _____
Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the ^{oil}~~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 ^{oil}~~gas~~ well location for the Gallup, Entrada ^{and} Dakota the Lloyd Davidson Santa Fe Pacific Well No. 1 [^] formations is hereby approved for ~~a well~~ to be located at a point 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West NMPM, Pool, McKinley County, New Mexico.

(2) That the SE/4 SE/4 of said Section 29 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 Division may deem necessary.

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