



Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

RECEIVED MAR 10 1990

March 23, 1990

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
Department of Energy, Minerals and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87501

9912

Dear Mr. Stogner:

Request for Unorthodox Location,
West Knowles Well No. 12, Shipp
Strawn Pool, Lea County, New Mexico

Attached are three (3) copies of Conoco Inc's Application for Examiner Hearing for the subject well. We respectfully request that this case be placed on the Examiner Docket for April 18, 1990.

Copies of this Application are being sent to all known offset operators who have operating rights in the Strawn Formation.

Yours very truly,

Hugh Ingram
Conservation Coordinator

/tm
hearing

cc: Offset Operators

BEFORE THE OIL CONSERVATION DIVISION
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE AS A STRAWN OIL WELL IN
THE SHIPP STRAWN POOL ITS WEST KNOWLES
WELL NO. 12 AT AN UNORTHODOX LOCATION
2310' FNL AND 660' FWL OF SECTION 35,
T-16-S, R-37-E, LEA COUNTY, NEW MEXICO
AND TO DEDICATE THE S/2 NW/4 OF SAID
SECTION TO THIS WELL

9912

A P P L I C A T I O N

Applicant, Conoco Inc., respectfully requests authority to drill and complete in the Shipp Strawn Oil Pool its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35, T-16-S, R-37E, Lea County, New Mexico, and dedicate the S/2 NW/4 of said Section consisting of 80 acres to this well, and in support thereof will show:

1. Conoco Inc. is operator and co-owner of the West Knowles Lease consisting of, among other lands, the W/2 of Section 35, T-16-S, R-37-E, Lea County, New Mexico.

2. Applicant intends to drill and complete as a Strawn oil well its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35.

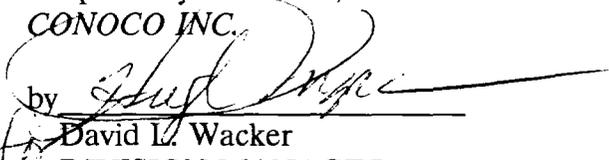
3. That Special Pool Rules for the Shipp Strawn Pool call for 80-acre proration units and wells to be located within 150' of center of the quarter/quarter section.

4. That for geologic reasons, said well should be drilled at an unorthodox location in order to optimize the chances for a successful completion.

5. That granting this Application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, Applicant respectfully requests that this application be set for Hearing before the Division's duly appointed Examiner on the first available docket, and upon hearing, an order be entered authorizing the operator to drill and produce said well at the requested location.

Respectfully submitted,
CONOCO INC.

by 

David L. Wacker
DIVISION MANAGER
HOBBS DIVISION

Applicat

Submit to Appropriate
District Office
State Leases - 4 copies
Fee Leases - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

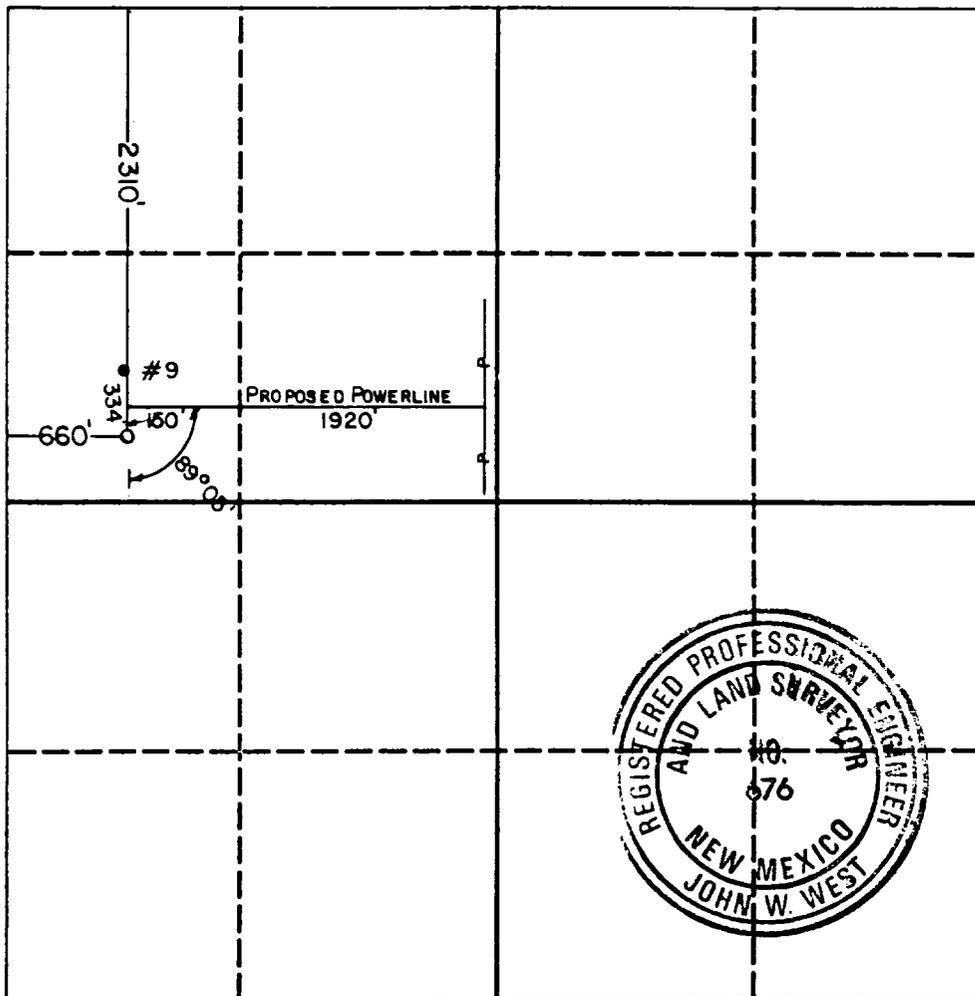
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CONOCO, INC.			Lease West Knowles		Well No. 12
Unit Letter E	Section 35	Township 16 South	Range 37 East	County Lea	
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the West line					
Ground level Elev. 3768.6	Producing Formation		Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



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

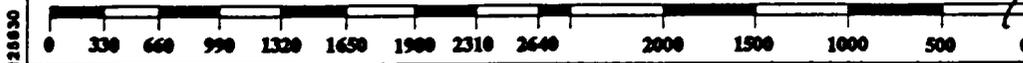
Signature _____
 Printed Name _____
 Position _____
 Company _____
 Date _____

SURVEYOR CERTIFICATION
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.

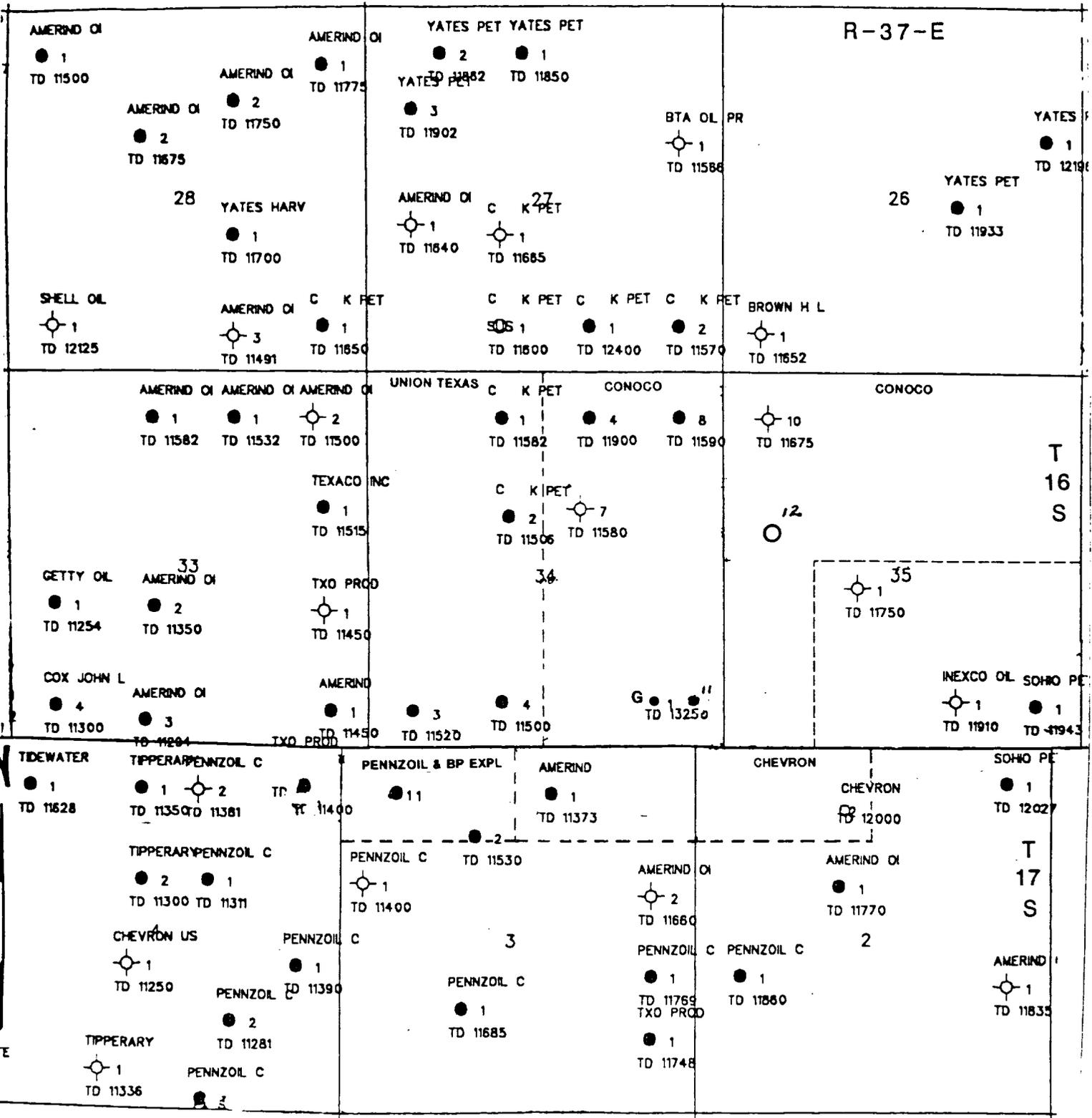
Date Surveyed
March 15, 1990

Signature & Seal of Professional Surveyor


Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239



128830



● G = GLORIETA

ESP NA		HOBBS DIVISION
LEA COUNTY, NEW MEXICO		



Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

March 23, 1990

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
Department of Energy, Minerals and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87501

9912

Dear Mr. Stogner:

Request for Unorthodox Location,
West Knowles Well No. 12, Shipp
Strawn Pool, Lea County, New Mexico

Attached are three (3) copies of Conoco Inc's Application for Examiner Hearing for the subject well. We respectfully request that this case be placed on the Examiner Docket for April 18, 1990.

Copies of this Application are being sent to all known offset operators who have operating rights in the Strawn Formation.

Yours very truly,


Hugh Ingram
Conservation Coordinator

/tm
hearing

cc: Offset Operators

BEFORE THE OIL CONSERVATION DIVISION
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE AS A STRAWN OIL WELL IN
THE SHIPP STRAWN POOL ITS WEST KNOWLES
WELL NO. 12 AT AN UNORTHODOX LOCATION
2310' FNL AND 660' FWL OF SECTION 35,
T-16-S, R-37-E, LEA COUNTY, NEW MEXICO
AND TO DEDICATE THE S/2 NW/4 OF SAID
SECTION TO THIS WELL

9912

A P P L I C A T I O N

Applicant, Conoco Inc., respectfully requests authority to drill and complete in the Shipp Strawn Oil Pool its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35, T-16-S, R-37E, Lea County, New Mexico, and dedicate the S/2 NW/4 of said Section consisting of 80 acres to this well, and in support thereof will show:

1. Conoco Inc. is operator and co-owner of the West Knowles Lease consisting of, among other lands, the W/2 of Section 35, T-16-S, R-37-E, Lea County, New Mexico.

2. Applicant intends to drill and complete as a Strawn oil well its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35.

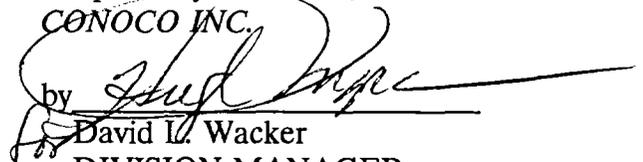
3. That Special Pool Rules for the Shipp Strawn Pool call for 80-acre proration units and wells to be located within 150' of center of the quarter/quarter section.

4. That for geologic reasons, said well should be drilled at an unorthodox location in order to optimize the chances for a successful completion.

5. That granting this Application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, Applicant respectfully requests that this application be set for Hearing before the Division's duly appointed Examiner on the first available docket, and upon hearing, an order be entered authorizing the operator to drill and produce said well at the requested location.

Respectfully submitted,
CONOCO INC.

by 

David L. Wacker
DIVISION MANAGER
HOBBS DIVISION

Applicat

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

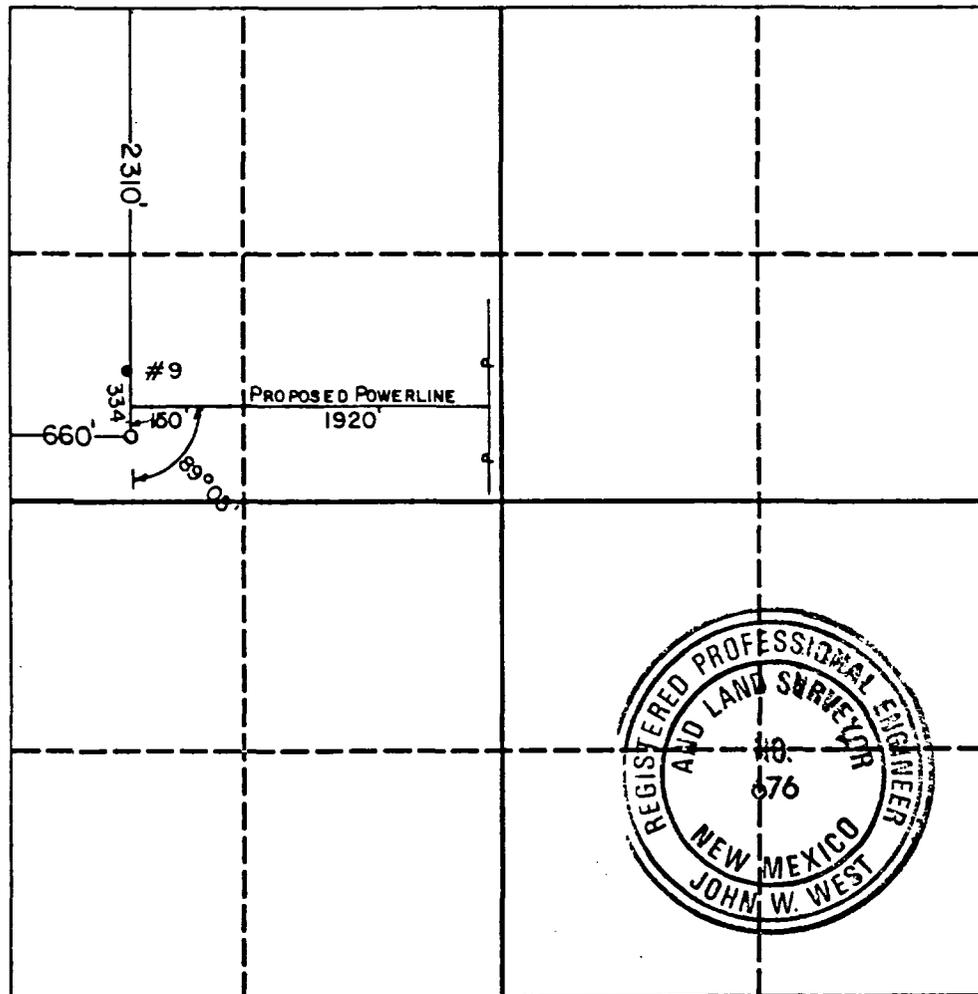
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CONOCO, INC.			Lease West Knowles		Well No. 12
Unit Letter E	Section 35	Township 16 South	Range 37 East	County NMPM Lea	
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the West line					
Ground level Elev. 3768.6	Producing Formation		Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Position _____

Company _____

Date _____

SURVEYOR CERTIFICATION

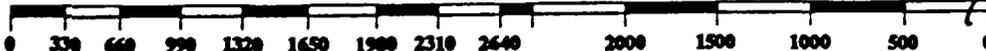
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

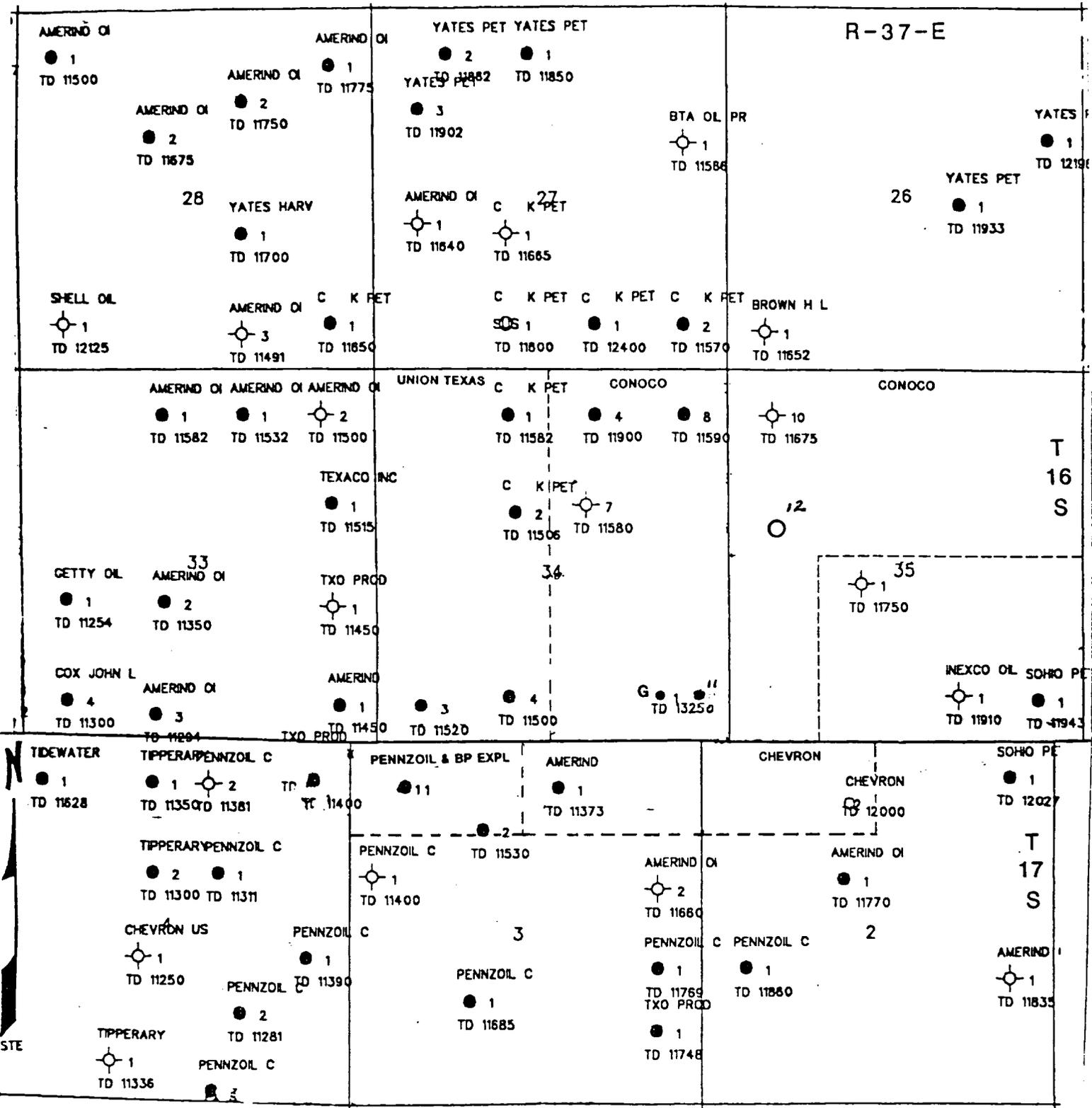
Date Surveyed
March 15, 1990

Signature & Seal of Professional Surveyor


Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

128630





● G = GLORIETA

E&P NA		HOBBS DIVISION
LEA COUNTY, NEW MEXICO		



Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

March 23, 1990

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
Department of Energy, Minerals and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87501

99/2

Dear Mr. Stogner:

Request for Unorthodox Location,
West Knowles Well No. 12, Shipp
Strawn Pool, Lea County, New Mexico

Attached are three (3) copies of Conoco Inc's Application for Examiner Hearing for the subject well. We respectfully request that this case be placed on the Examiner Docket for April 18, 1990.

Copies of this Application are being sent to all known offset operators who have operating rights in the Strawn Formation.

Yours very truly,


Hugh Ingram
Conservation Coordinator

/tm
hearing

cc: Offset Operators

BEFORE THE OIL CONSERVATION DIVISION
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR APPROVAL TO DRILL
AND COMPLETE AS A STRAWN OIL WELL IN
THE SHIPP STRAWN POOL ITS WEST KNOWLES
WELL NO. 12 AT AN UNORTHODOX LOCATION
2310' FNL AND 660' FWL OF SECTION 35,
T-16-S, R-37-E, LEA COUNTY, NEW MEXICO
AND TO DEDICATE THE S/2 NW/4 OF SAID
SECTION TO THIS WELL

9912

A P P L I C A T I O N

Applicant, Conoco Inc., respectfully requests authority to drill and complete in the Shipp Strawn Oil Pool its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35, T-16-S, R-37E, Lea County, New Mexico, and dedicate the S/2 NW/4 of said Section consisting of 80 acres to this well, and in support thereof will show:

1. Conoco Inc. is operator and co-owner of the West Knowles Lease consisting of, among other lands, the W/2 of Section 35, T-16-S, R-37-E, Lea County, New Mexico.

2. Applicant intends to drill and complete as a Strawn oil well its West Knowles Well No. 12 at an unorthodox location 2310' FNL and 660' FWL of Section 35.

3. That Special Pool Rules for the Shipp Strawn Pool call for 80-acre proration units and wells to be located within 150' of center of the quarter/quarter section.

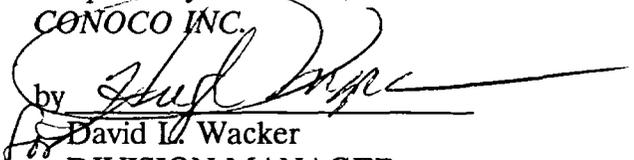
4. That for geologic reasons, said well should be drilled at an unorthodox location in order to optimize the chances for a successful completion.

5. That granting this Application will prevent waste and will not impair the correlative rights of any party.

WHEREFORE, Applicant respectfully requests that this application be set for Hearing before the Division's duly appointed Examiner on the first available docket, and upon hearing, an order be entered authorizing the operator to drill and produce said well at the requested location.

Respectfully submitted,

CONOCO INC.

by 

David L. Wacker

DIVISION MANAGER

HOBBS DIVISION

Applicat

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1900, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

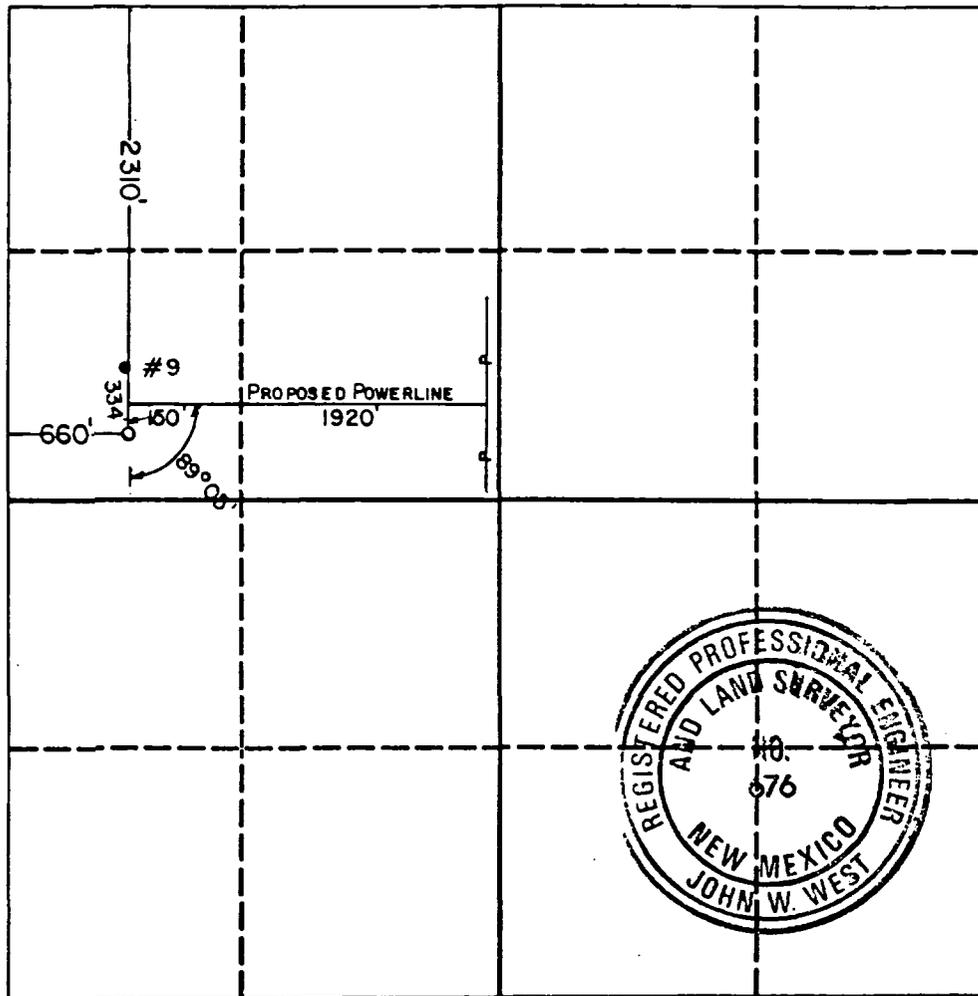
All Distances must be from the outer boundaries of the section

Operator CONOCO, INC.			Lease West Knowles			Well No. 12		
Unit Letter E	Section 35	Township 16 South	Range 37 East	County NMPM		Lea		
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the West line								
Ground level Elev. 3768.6		Producing Formation			Pool		Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Position _____

Company _____

Date _____

SURVEYOR CERTIFICATION

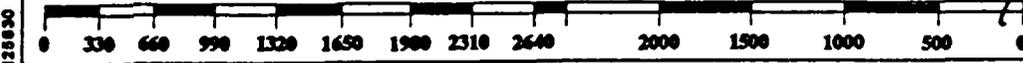
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
March 15, 1990

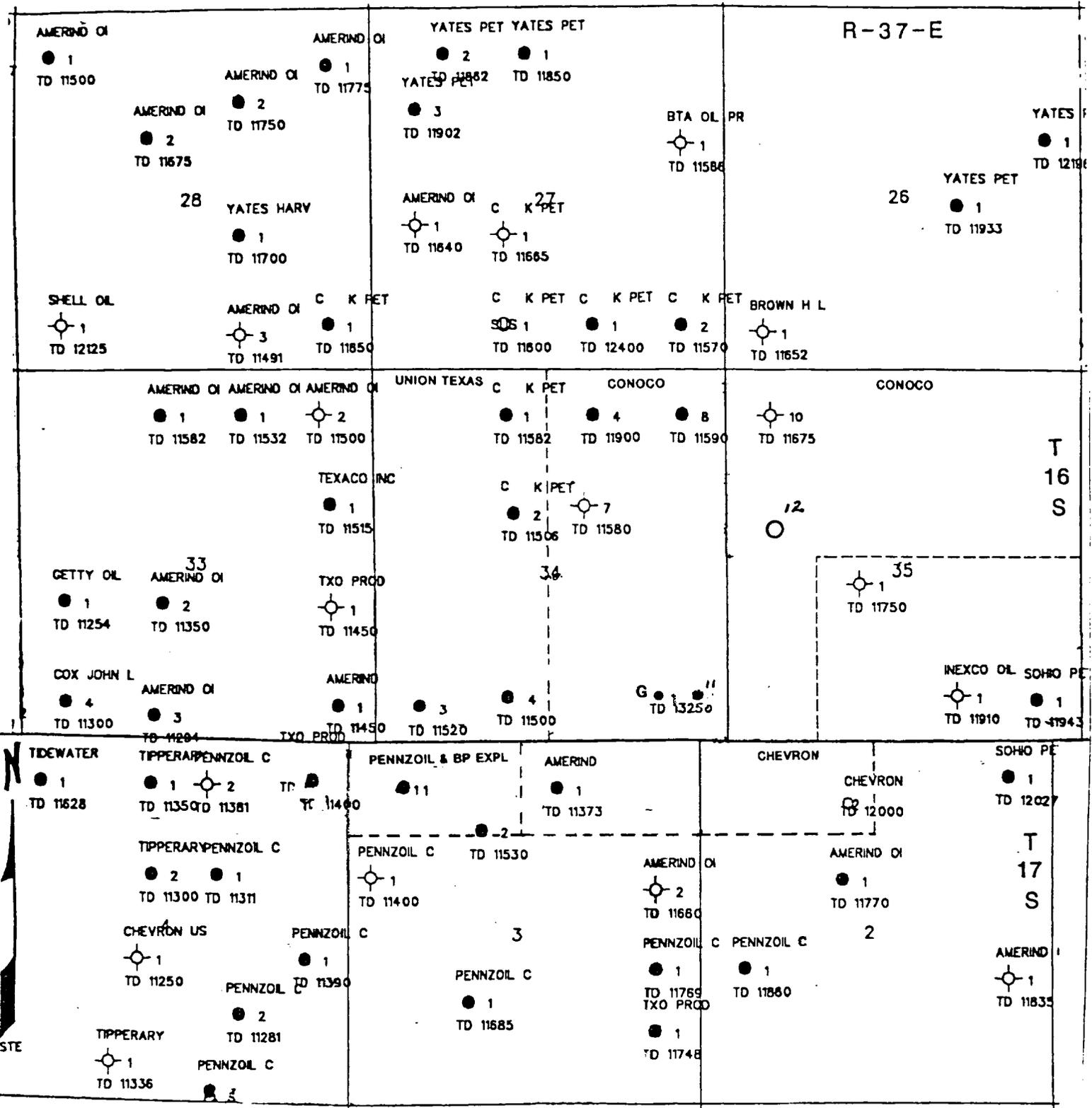
Signature & Seal of
Professional Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239



128830



● G = GLORIETA

ESP NA		HOBBS DIVISION
LEA COUNTY, NEW MEXICO		

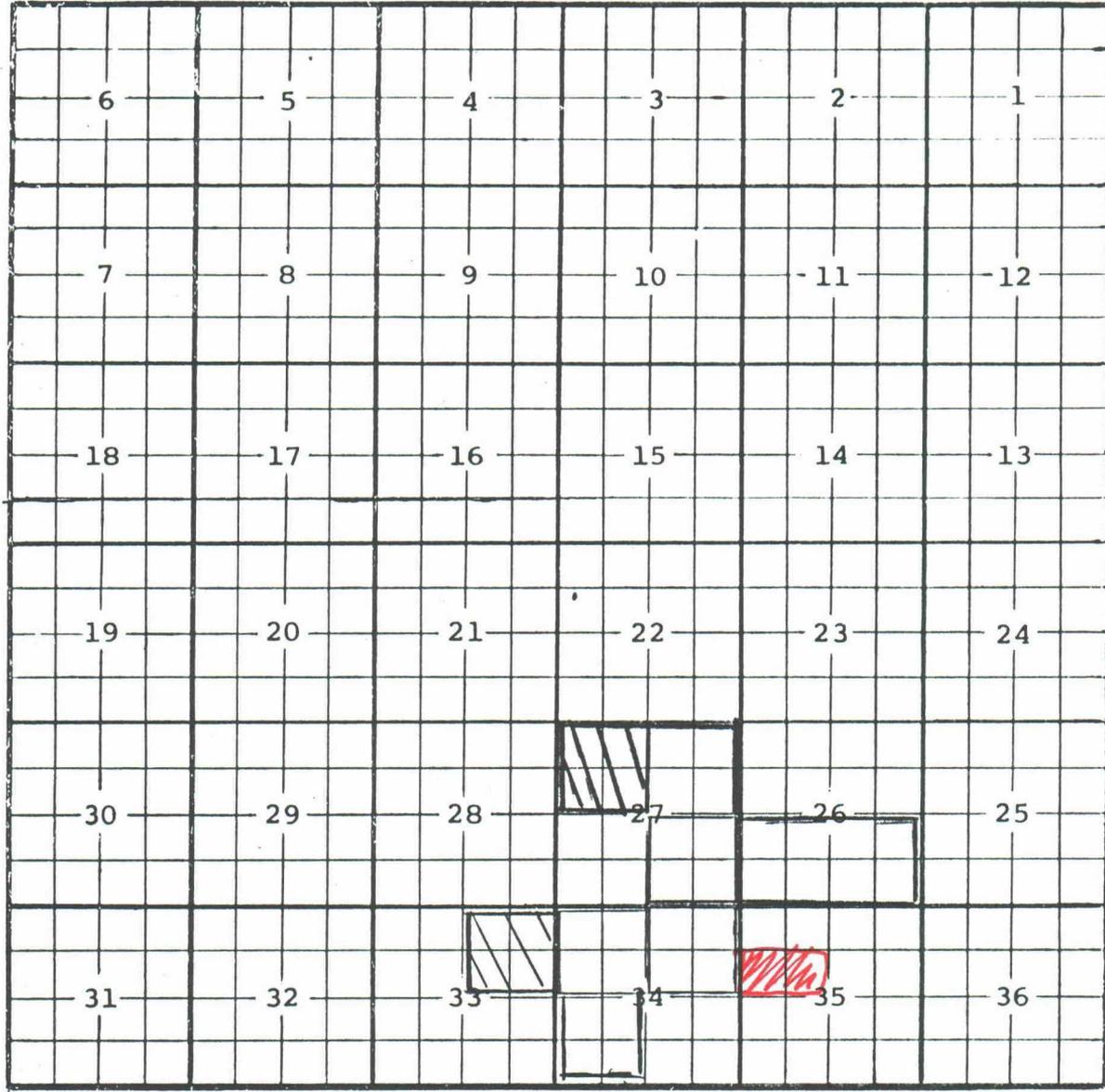
<p>Conaco, Inc. West Knawles No. 9 1950' FM FWL West Knawles Drinkard Spud date: 8-21-81</p>	<p>Conaco Inc. West Knawles No. 6 1880' FM FWL West Knawles Drinkard Spud date: 7-1-75</p>		

*Proposed Well location -
 2310' FM - 660' FWL*

5.5 miles north of Humble City, nm

COUNTY Lea POOL Casey - Strawn

TOWNSHIP 16 South RANGE 37 East NMPM



Description: SE/4 Sec 27 (R-4992, 4-1-75)
 Ext: NE/4 Sec 34 (R-5081, 9-1-75) Ext: NW/4 Sec 34 (R-5124, 12-1-75)
 Ext: NE/4 Sec. 33 (R-7279, 5-17-83) Ext: N/2 Sec. 27 (R-7667, 9-21-84)
 Delete NW/4 sec. 27 (R-7996, 8-6-85)
 Delete NE/4 Sec. 33 (R-8182, 3-11-86) Ext: SW/4 Sec. 34 (R-8451, 6-3-87)
 EXT: 3/2 SEC 26 (R-8603, 2/19/88)

County Lea Pool Shipp-StrawnTOWNSHIP 16 South Range 37 East NMPM

	6	5	4	3	2	1
	7	8	9	10	11	12
	18	17	16	15	14	13
	19	20	21	22	23	24
	30	29	28	27	26	25
	31	32	33	34	35	36

Description: $\frac{SE}{4}$ and $\frac{E}{2}SW\frac{1}{4}$ Sec. 33, $\frac{S}{2}$ Sec. 34 (R-8062, 10-31-85)
 Amend horizontal limits to include $\frac{N}{2}$ and $\frac{SE}{4}$ Sec. 4 only, T12S,
 R37E (R-8062-A, 1-21-86) EXT: $\frac{SE}{4}$ Sec. 33 (R-8513, 9-18-87)
 EXT: $\frac{SE}{4}$ SEC 32, $\frac{SW}{4}$ SEC 33 (R-8603, 2/19/88) EXT: $\frac{SE}{4}$ SEC 35 (R-8668, 6/10/88)
 EXT: $\frac{SE}{4}$ SEC 36 (R-9741, 9-1-89) EXT: $\frac{SE}{4}$ SEC 34 (R-9120, 3-1-90)

(SHIPP-STRAWN POOL - Cont'd.)

(3) The temporary Special Rules and Regulations for the Shipp-Strawn Pool are hereby amended to read in their entirety as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SHIPP-STRAWN POOL

RULE 1. Each well completed or recompleted in the Shipp-Strawn Pool or in the Strawn formation within one mile of the Shipp-Strawn Pool, and not nearer to or within the limits of another designated Strawn pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Shipp-Strawn Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Shipp-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division 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 proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 445 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres."

IT IS FURTHER ORDERED THAT:

(4) The location of any well permitted, in drilling to, or completed in the Strawn formation within the boundaries of the Shipp-Strawn Pool prior to January 21, 1986, which location was orthodox under pool rules existing prior to that time and which location is now unorthodox, is hereby approved.

(5) The locations of any other wells presently permitted in, drilling to, or completed in the currently defined Shipp-Strawn Pool or in the Strawn formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District office of the Division in writing of the name and location of the well on or before April 1, 1986.

(6) The amount of the discovery allowable assigned to the Pennzoil Company Viersen Well No. 1 located 2130 feet from the South line and 660 feet from the East line of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, as set out in Division Order No. R-8062 is hereby amended to a total of 55,595 barrels of oil to be produced at a rate not to exceed 76 barrels per day in accordance with Division General Rule 509.

(7) The effective date of this order and of the pool and pool rule changes included herein shall be January 21, 1986.

(8) Pursuant to Paragraph A. of Section 70-2-18, NMSA (1978), existing wells in the Shipp-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division 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 Shipp-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(9) This case shall be reopened at an examiner hearing in November, 1986, at which time the operators in the subject pool may appear and show cause why the Shipp-Strawn Pool should not be developed on 40-acre proration units.

(10) 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.

(CASEY-STRAWN POOL - Cont'd.)

(8) That this case should be reopened at an examiner hearing in April, 1976, at which time the operators in the subject pool should be prepared to appear and show cause why the Casey-Strawn Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production, is hereby created and designated the Casey-Strawn Pool, with vertical limits comprising the Strawn formation as bound on the log of the Shipp "27" Well No. 1, located in Unit O of Section 27, Township 16 South, Range 37 East, NMPM, from 11,326 to 11,762 feet, and horizontal limits comprising the following-described area:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 27: SE/4

(2) That temporary Special Rules and Regulations for the Casey-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
CASEY-STRAWN POOL

RULE 1. Each well completed or recompleted in the Casey-Strawn Pool or in the Atoka formation within one mile thereof, and not nearer to or within the limits of another designated Strawn oil 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 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

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 comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit 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 offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

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.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 445 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Casey-Strawn Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 15, 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 Casey-Strawn Pool shall have dedicated thereto 80 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 80 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 Casey-Strawn Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in April, 1976, at which time the operators in the subject pool should be prepared to appear and show cause why the Casey-Strawn Pool should not be developed on 40-acre spacing units.

(4) 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.