

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD A. SIMMS
RICHARD R. WILFONG*
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT*
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*

ALBERT L. PITTS
THOMAS M. HNASKO

JOHN C. CHAMBERS*
FRED W. SCHWENDIMANN
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM*
ALLEN G. HARVEY
GREGORY J. NIBERT
DAVID T. MARKETTE*
JAMES R. MCADAMS*
JAMES M. HUDSON
MACDONNELL, GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM P. JOHNSON
KAREN M. RICHARDSON*
ELLEN S. CASEY
JAMES C. BROCKMANN
SUSAN L. NIESER*
MARK A. WILSON*

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

2800 CLAYDESTA NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING

POST OFFICE BOX 9238

AMARILLO, TEXAS 79105

(806) 372-5569

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

(505) 622-6510

March 7, 1988

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNOODGRASS, JR. (1915-1987)

*NOT LICENSED IN NEW MEXICO

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MAR 8 1988

OIL CONSERVATION DIVISION

Mr. William LeMay, Director
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico

Case 9345

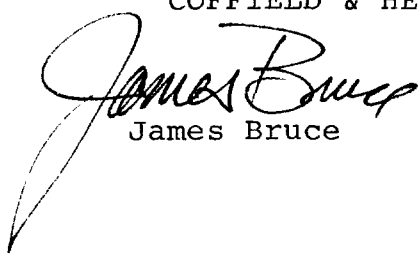
HAND DELIVERED

Dear Mr. LeMay:

Enclosed, in triplicate, is the application of Mesa Grande Resources, Inc. for forced pooling and the applications of Nanco, Inc. for forced pooling regarding the W $\frac{1}{2}$ of Section 15, Township 25 North, Range 2 West. Please set these matters for the Examiner Hearing scheduled for March 30, 1988. Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr
Enclosures

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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POST OFFICE BOX 10

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(505) 622-6510

March 28, 1988

LEWIS C. COX
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HAROLD L. HENSLEY, JR.
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OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1901-1965)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1915-1987)

*NOT LICENSED IN NEW MEXICO

M.S.

Mr. William LeMay
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: Case No. 9343, Application of Mesa Grande Resources for
Compulsory Pooling and a Non-Standard Proration Unit;
Case No. 9344, Application of NANCO, Inc. for
Compulsory Pooling; and
Case No. 9345, Application of NANCO, Inc. for
Compulsory Pooling.

Dear Mr. LeMay:

Applicants in the above cases hereby request that the cases
be dismissed from the March 30, 1988 Examiner docket. Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

James Bruce
James Bruce

JGB:jrr

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MAR 28 1988

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



April 7, 1988

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. James Bruce
Hinkle, ~~Box~~, Eaton,
Eoffield & Hensley
Attorneys at Law
Post Office Box 2068
Santa Fe, New Mexico

Re: CASE NO. 9345
ORDER NO. R-8637

Applicant:

Nanco, Inc.

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

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
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

30-039-22330

Form C-101
Revised 10-1-78

NO. OF COPIES RECEIVED	5
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	1

1A. Indicate Type of Lease
STATE ☐ FEDERAL ☒
3. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work Drilling Field Well		1. Well Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		2. Form or Lease Name Locer	
2. Name of Operator NANCO, INC.		9. Well No. Number 1	
3. Address of Operator 611 Philtower Building, Tulsa, Oklahoma 74103		10. Field and Pool, or Wildcat Lindrieth <i>ac</i>	
4. Location of Well UNIT LETTER <u>C#1</u> 111111 LOCATED <u>1676.34</u> FEET FROM THE <u>West</u> LINE AND <u>933.48</u> FEET FROM THE <u>North</u> LINE OF SEC. <u>15</u> TWP. <u>25N</u> RSE. <u>2W</u> NMPM		12. County Rio Arriba	
21. Elevations (Show whether DE, RL, etc.) G.L. 7334.66		21A. Kind & Status Plug. Bond 3700'	
21B. Drilling Contractor L. E. Wilson Bloomfield, New Mexico		19A. Formation Pictured Cliffs	
22. Approx. Date Work will start 3-28-80		21. Rotary or C.T. Rotary	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10-1/2"	8-5/8"	24 lbs.	100'	To Surface	
6-3/4"	4-1/2"	11.5 J-55	3700'	150 Sacks	

THIS PERMIT IS VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 7-10-80

Not dedicated



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.

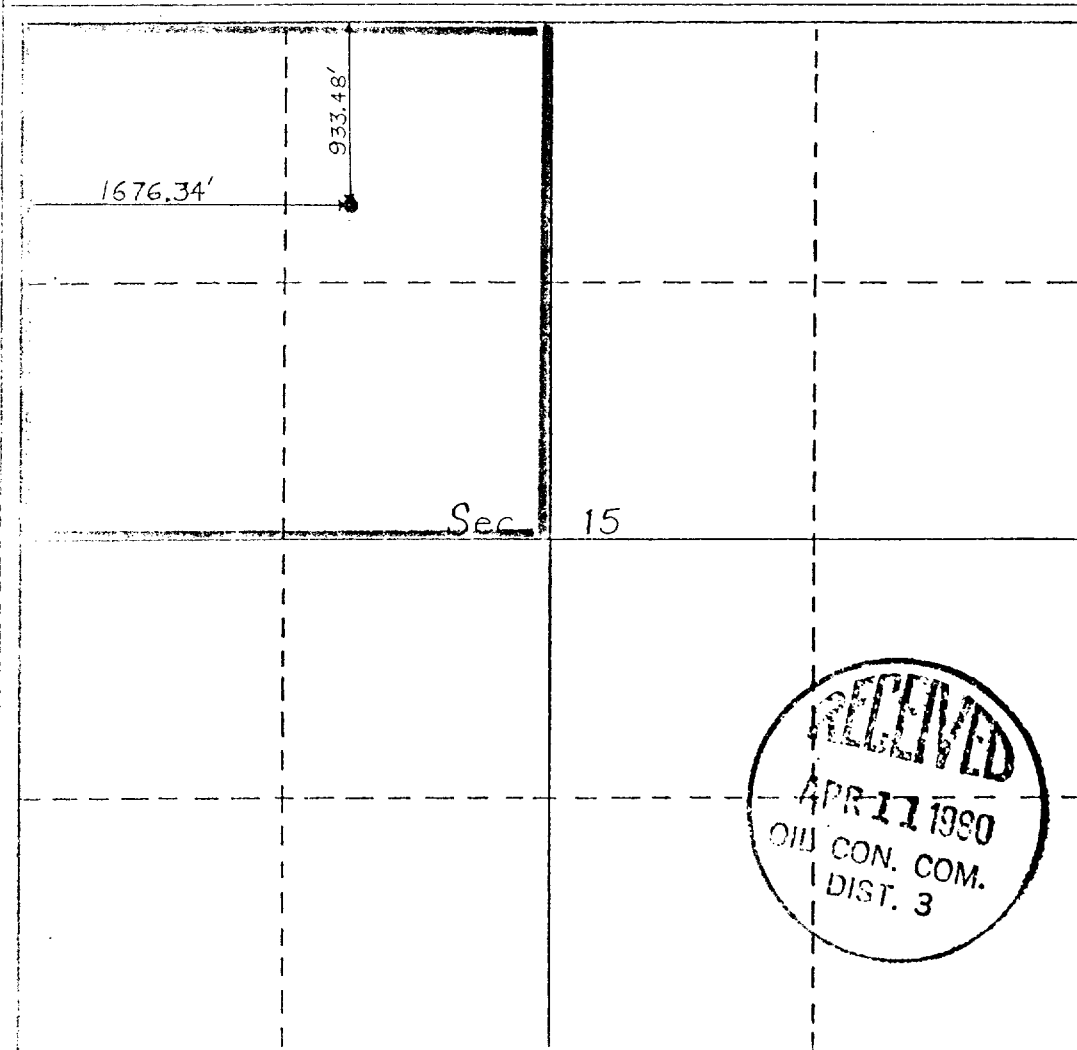
Signed G. Allen Phillips Title President Date 4-7-80
(This space for State Use)

APPROVED BY Frank S. [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE APR 11 1980

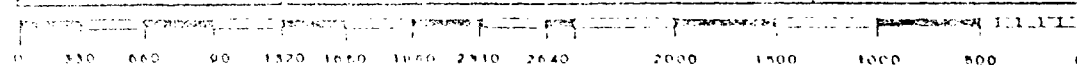
CONDITIONS OF APPROVAL, IF ANY:

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

Operator NANCO, INC.			Lease LOCER		Well No. 1
611 Philtower Bldg., Tulsa, OK. 74103			Locer No. 1		
Unit Letter C	Section 15	Township 25 N	Range 2 W	County Rio Arriba	
Actual Footage Location of Well:					
1676.34 feet from the West line and		933.48 feet from the North line			
Ground Level Elev. 7334.66'	Producing Formation Pictured Cliffs	Pool Garcia Pictured Cliffs	Dedicated Acreage: 160 Acres		
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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 Division.</p>					



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>E. Allen Phillips</i> Name <i>President</i> Position <i>Nanco, Inc.</i> Company	
Date <i>4-7-80</i>	
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.	
January 17, 1980	
Date Surveyed <i>Wayne E. Johnston</i> Registered Professional Engineer and/or Land Surveyor	
N.M.L.S. No. 6540	
Certificate No.	



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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Form O-103
Revised 1-1-65

RECEIVED
OCT 5 - 1981
OIL CON. COM.
DIST. 3

RECEIVED
SEP 18 1981
OIL CON. COM.
DIST. 3

5a. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

1a. TYPE OF WELL
1b. TYPE OF COMPLETION
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

7. Unit Agreement Name

2. Name of Operator
Nanco, Inc.
3. Address of Operator
611 Philtower Building, Tulsa, OK. 74103

8. Farm or Lease Name
Locer

4. Location of Well

9. Well No.
#1

UNIT LETTER C LOCATED 1677 1676 FEET FROM THE West LINE AND 934 933 FEET FROM

10. Field and Pool, or Wildcat
Gavilan

THE North LINE OF SEC. 15 TWP. 25N RGE. 2W NMPM

12. County
Rio Arriba

15. Date Spudded 4-9-80	16. Date T.D. Reached 4-19-80	17. Date Compl. (Ready to Prod.) 8-17-80	18. Elevations (DF, RKB, RT, GR, etc.) 7355 GL	19. Elev. Casinghead 7341
----------------------------	----------------------------------	---	---	------------------------------

20. Total Depth 3694'	21. Plug Back T.D. 3694'	22. If Multiple Compl., How Many	23. Intervals Drilled By Rotary Tools X	Cable Tools
--------------------------	-----------------------------	----------------------------------	--	-------------

24. Producing Interval(s), of this completion - Top, Bottom, Name
3534 to 3548' 3570 to 3586'
Pictured Cliffs Sandstone
25. Was Directional Survey Made
Yes attached hereto

26. Type Electric and Other Log Run
Compensated Neutron-Formation Density - Cement Bond
27. Was Well Cored
No.

CASING RECORD (Report all strings set in well)				CEMENTING RECORD		AMOUNT PULLED
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE			
8-5/8"	34	103'	10-3/4"	3021'	To Surface	
4-1/2"	J55 11	3663'	6-3/4"		200 Sacks	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	3537'	3536.8'

29. Perforation Record (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
2-3/8" shot holes-2 shots per foot-3534' to 3548' - 14' - 28 holes, and 2 shots per foot 3570' to 3586' - 16' - 32 holes		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
		3534 to 3586'	75,000 Gal. Foam
			75,000 - 10-20 Sand
			Foam Fracture

31. PRODUCTION
31a. First Production
8-17-80
31b. Production Method (Flowing, gas lift, pumping - Size and type pump)
Flowing Gas-EN. Well completion
31c. Well Status (Prod. or Shut-in)
Shut In

Date of Test 9-18-80	Hours Tested 3 hours	Choke Size 3/4"	Prod'n. For Test Period →	Oil - Bbl. →	Gas - MCF 2,242 MCF	Water - Bbl. →	Gas - Oil Ratio SAF A FF
Flow Test Press. 88	Casing Pressure 470	Calculated 24-Hour Rate →	Oil - Bbl. →	Gas - MCF 2,242 MCF	Water - Bbl. None	Oil Gravity - API (Corr.)	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Vented for testing
Test Witnessed By
Lynn Alexander
Ron Sorrow

35. List of Attachments
E Logs-Cement Bond Log - Tefteller, Inc. Gas Test - Deviation Test
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED E. Alex Phillips TITLE President DATE 9-10-81
E. Alex Phillips President

...drilled or

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All log data reported shall be measured bottom to the base of directionally drilled wells; true vertical depths shall also be reported. For multiple completions, Items 26 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 11-5.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo <u>3230</u>	T. Penn. "B" _____
T. _____	T. Strawn _____	T. Kottland Portland <u>3400</u>	T. Penn. "C" _____
D. Salt _____	T. Atoka _____	T. Pictured Cliffs <u>3500</u>	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Brinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 4, from.....to.....
No. 2, from.....to..... No. 5, from.....to.....
No. 3, from.....to..... No. 6, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to feet.

No. 2, from to feet.

No. 3, from to feet.

No. 4, from to feet.

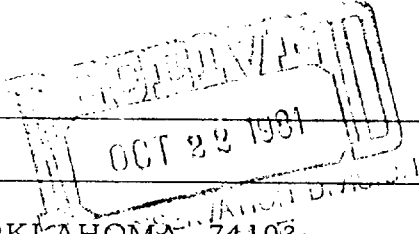
FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
3504	3600	96'	Gross-Pictured Cliffs Sandstone				

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LAND OFFICE		
TRANSPORTER	OIL	
	GAS	
OPERATOR		
PRORATION OFFICE		

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65



Operator NANCO, INC.	
Address 611 PHILTOWER BUILDING, TULSA, OKLAHOMA 74103	
Reason(s) for filing (Check proper box)	Other (Please explain)
New Well <input checked="" type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Ownership <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>

If change of ownership give name and address of previous owner _____

DESCRIPTION OF WELL AND LEASE			
Lease Name LOCER	Well No. #1	Pool Name, including Formation GAVILAN <i>PC</i>	Kind of Lease State, Federal or Fee Fee
Location Unit Letter <i>C</i> ; <i>1677</i> Feet From The <i>West</i> Line and <i>934</i> Feet From The <i>North</i>			Lease No. 1
Line of Section 15 Township 25 North Range 2 West, NMFM, Rio Arriba County			

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS			
Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>		Address (Give address to which approved copy of this form is to be sent)	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>		Address (Give address to which approved copy of this form is to be sent)	
El Paso Natural Gas Company		P.O. Box 990, Farmington, New Mexico 87401	
well produces oil or liquids, give location of tanks.	Unit	Sec.	Twsp.
			Page.
Is gas actually connected?		When	
Yes		August 18, 1981	

If this production is commingled with that from any other lease or pool, give commingling order number: _____

COMPLETION DATA	
Designate Type of Completion - (X)	Oil Well Gas Well New Well Workover Deepen Plug Back Same Res'v. Diff. Res'v.
	X X
Date Spudded 4-9-80	Date Compl. Ready to Prod. 8-17-80
Total Depth 3694'	P.B.T.D. 3694'
Formations (DF, RLB, RT, GR, etc.) 7355 GR	Name of Producing Formation Pictured Cliffs
Top Oil/Gas Pay 3500	Tubing Depth 3536
Perforations 2 shots per foot (28 shots) 3534 to 3548' 2 shots per foot (32 shots) 3570 to 3586'	Depth Casing Shoe 3663

TIUBING CASING

BARKER CREEK, PARADOX (PENNSYLVANIAN)**GAS POOL****BLANCO (PICTURED CLIFFS) GAS POOL****GAVILAN (PICTURED CLIFFS) GAS POOL****UTE DOME (PARADOX) GAS POOL**

San Juan and Rio Arriba Counties, New Mexico

Order No. R-46, Adopting Spacing Rules for the Aztec-Pictured Cliffs Gas Pool, the Barker Creek, Paradox-Pennsylvanian Gas Pool, the Blanco-Pictured Cliffs Gas Pool, the Gavilan-Pictured Cliffs Gas Pool, the South Kutz Canyon-Pictured Cliffs Gas Pool, the West Kutz Canyon-Pictured Cliffs Gas Pool, the La Plata-Mesaverde Gas Pool, the Northwest La Plata-Mesaverde Gas Pool, the South La Plata-Mesaverde Gas Pool, and the Ute Dome-Paradox Gas Pool, San Juan and Rio Arriba Counties, New Mexico, December 29, 1950.

NOTE: Order No. R-1670 Supersedes this order as it relates to Aztec (Pictured Cliffs) Gas Pool, South Kutz Canyon and West Kutz Canyon (Pictured Cliffs) consolidated into West Kutz (Pictured Cliffs) Gas Pool, La Plata (Mesaverde) Northwest La Plata (Mesaverde), and South La Plata (Mesaverde) Gas Pools were consolidated into Blanco-Mesaverde Gas Pool.

The application of the Oil Conservation Commission upon its own motion for establishing a well spacing pattern for each of the designated gas pools in the counties of San Juan and Rio Arriba, state of New Mexico producing or capable of producing gas from Pictured Cliffs formation, except Kutz Canyon-Fulcher Basin, Mesaverde formation (except Blanco Pool) and any of the Pennsylvanian formations.

CASE NO. 237
Order No. R-46

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on regularly for hearing at 10:00 o'clock A.M., November 21, 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December 1950, the Commission having considered the whole matter including the testimony adduced at said hearing,

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 for purposes of orderly development, protection of correlative rights and the prevention of waste, the following pools in San Juan and Rio Arriba Counties, New Mexico heretofore by the Commission named, defined and classified as gas pools, as the respective boundaries thereof may be changed by extension or otherwise, should be provided with proper spacing pattern and production units;

Aztec (Pictured Cliffs) pool, 160-acre spacing;
Barker Creek, Paradox (Pennsylvanian) pool, 640-acre spacing;

Blanco (Pictured Cliffs) pool, 160-acre spacing;
Gavilan (Pictured Cliffs) pool, 160-acre spacing;
South Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;
West Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;
La Plata (Mesaverde) pool, 320-acre spacing;
NW La Plata (Mesaverde) pool, 320-acre spacing;

South La Plata (Mesaverde) pool, 320-acre spacing;
Ute Dome (Paradox) pool, 640-acre spacing.

3. That for La Plata, NW La Plata and South La Plata pools, wells should be orthodox locations on NW/4 and SE/4 of each section in said pools.

4. Under 160-acre spacing for Aztec, Blanco (Pictured Cliffs), Gavilan, South Kutz Canyon and West Kutz Canyon pools, orthodox locations should be required as stated in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section);

5. For those pools appearing to require 640-acre spacing in Pennsylvanian formation, orthodox locations should be required to be not closer than 330' to center and 1650' from boundary of each section in the Barker Creek (Paradox-Pennsylvanian) and Ute Dome (Paradox-Pennsylvanian) pools.

6. That existing Commission Orders 748 and 815, relating to the Kutz Canyon-Fulcher Basin pool, and Order No. 799 relating to the Blanco pool should be and remain in full effect and undisturbed hereby.

IT IS THEREFORE ORDERED:

1. That for purposes of orderly development, protection of correlative rights, and the prevention of waste, a spacing and production unit pattern is hereby provided for each of the following heretofore named, defined and classified pools, as the respective boundaries thereof may from time to time be changed:

POOL	FORMATION	SPACING
Aztec	Pictured Cliffs	160-acre
Barker Creek	Paradox-Pennsylvanian	640-acre
Blanco	Pictured Cliffs	160-acre
Gavilan	Pictured Cliffs	160-acre
La Plata	Mesaverde	320-acre
NW La Plata	Mesaverde	320-acre
South La Plata	Mesaverde	320-acre
South Kutz Canyon	Pictured Cliffs	160-acre
West Kutz Canyon	Pictured Cliffs	160-acre
Ute Dome	Paradox	640-acre

2. That orthodox locations shall be in the approximate center of the NW/4 and SE/4 of each section within the confines of La Plata, Northwest La Plata, and South La Plata pools, under 320 acre spacing for Mesaverde production.

3. That orthodox locations shall be as in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section) within the boundaries of the Aztec, Blanco, Gavilan, South Kutz Canyon and West Kutz Canyon pools for 160-acre spacing for Pictured Cliffs production.

4. That orthodox locations shall be not closer than 330' to center of the respective sections and 1650' from boundaries within the boundaries of Barker Creek and Ute Dome pools for 640-acre spacing for Paradox-Pennsylvanian production.

5. That Orders Nos. 748, 815, relative to Kutz Canyon-Fulcher Basin Pool, and 799, relating to Blanco Mesaverde, shall remain in full force and effect.

6. That wells now drilled or drilling are excepted.

IT IS FURTHER ORDERED:

1. That for the purpose of preventing inequities and impairment of correlative rights the Commission upon its own motion or upon application of any interested person, after notice and hearing grant exceptions in proper cases.

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

CASE _____

Application of Nanco, Inc. for compulsory pooling,
Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks
and order pooling all mineral interests in
the Pictured Cliffs formation underlying the
NW/4 of Section 15, Township 25 North, Range
2 West, forming a standard 160-acre gas spacing
and proration unit, to be dedicated to its
Locer Well No. 1 drilled at a standard gas well
location thereon. Also to be considered will
be the cost of drilling and completing said
well and the allocation of cost thereof as
well as actual operating costs and charges
for supervision, designation of applicant as
operator of the well and a charge for risk
involved in drilling said well. Said well is
located approximately 6.6 miles NW

of Locer Well No. 1, Rio Arriba County, New Mexico.