

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-101  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504

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

MAY - 5 '89

API NO. (assigned by OCD on New Wells) <i>30-05-26115</i>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K-6385

<b>APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK</b>					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		ARTESIA OFFICE O. C. D.			
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			
2. Name of Operator Yates Petroleum Corporation		8. Well No. #1			
3. Address of Operator 105 South Fourth, Artesia, New Mexico 88210		9. Pool name or Wildcat <i>Und. Cementing</i> Wildcat Morrow			
4. Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>20S</u> Range <u>24E</u> NMPM <u>Eddy</u> County					
10. Proposed Depth 9600'		11. Formation Morrow	12. Rotary or C.T. Rotary		
13. Elevations (Show whether DF, RT, GR, etc.) 3663. GR	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Undesignated	16. Approx. Date Work will start ASAP		
<b>17. PROPOSED CASING AND CEMENT PROGRAM</b>					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4 "	9 5/8"	36# J-55	Approx. 1300'	900 sacks	circulate
8 3/4"	7"	26# N-80 & J55	TD	as warranted	

We propose to drill and test the Morrow and intermediate formations. Approximately 1300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: <sup>FW</sup> ~~Swagel~~ LCM to 1300'; FW to 4000', Cut brine to 7600', Drispak, starch to TD

BOP PROGRAM: BOP's will be installed on the 9 5/8" casing and tested daily.

GAS NOT DEDICATED:

**RECEIVED**

APPROVAL VALID FOR 180 DAYS  
 PERMIT EXPIRES 11/8/89  
 UNLESS DRILLING UNDERWAY

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.

SIGNATURE: Ken Beardemphl TITLE: Landman DATE: 5/5/89

TYPE OR PRINT NAME: Ken Beardemphl TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY: [Signature] TITLE: SUPERVISOR, DISTRICT III DATE: MAY 8 1989

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness cementing the 9 5/8 casing

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

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

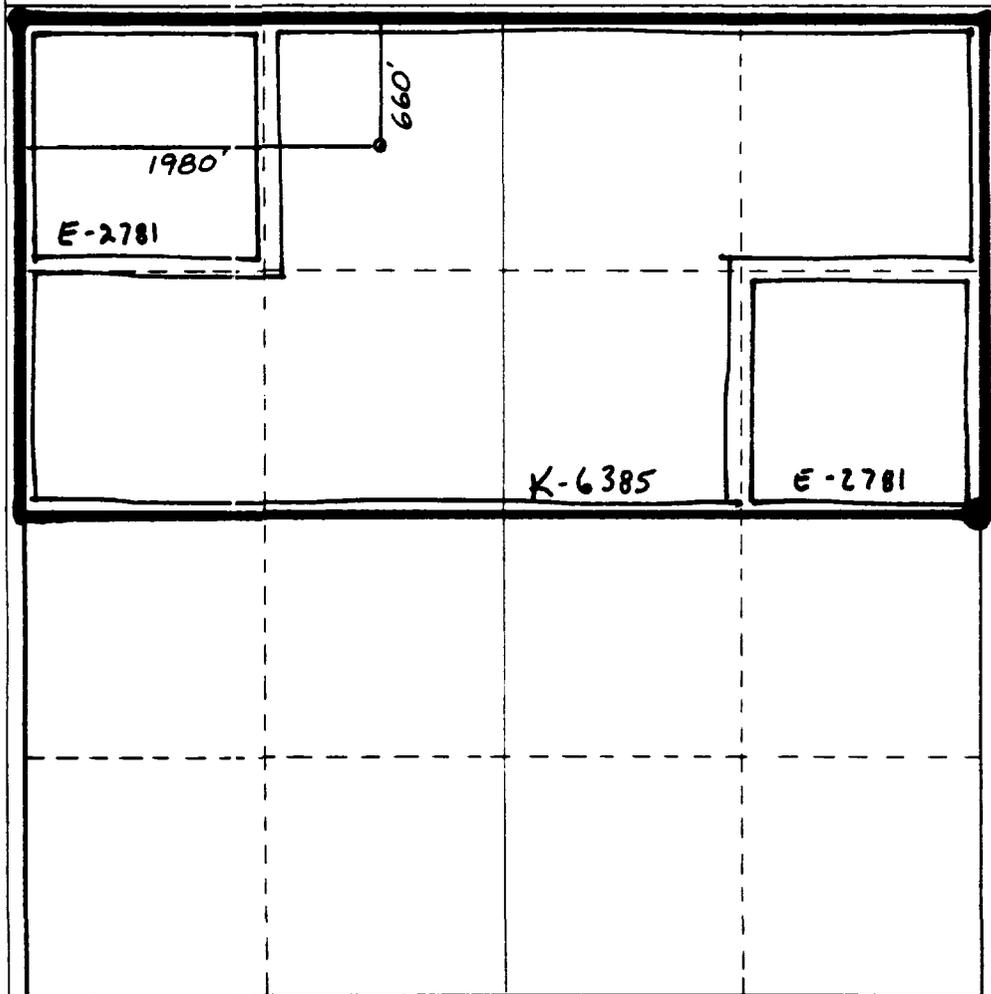
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Catclaw AGM State Com</b>		Well No. <b>1</b>
Unit Letter <b>C</b>	Section <b>2</b>	Township <b>20 South</b>	Range <b>24 East</b>	County <b>Eddy County, N.M.</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3663.</b>	Producing Formation <b>MORROW</b>		Pool <b>WILDCAT MORROW</b>	Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 to be communitized

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.

*Ken Boardman*

Name  
**LANDMAN**

Position  
**Yates Pet. Corp.**

Company  
**5-5-89**

Date

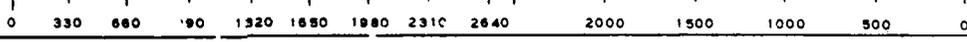


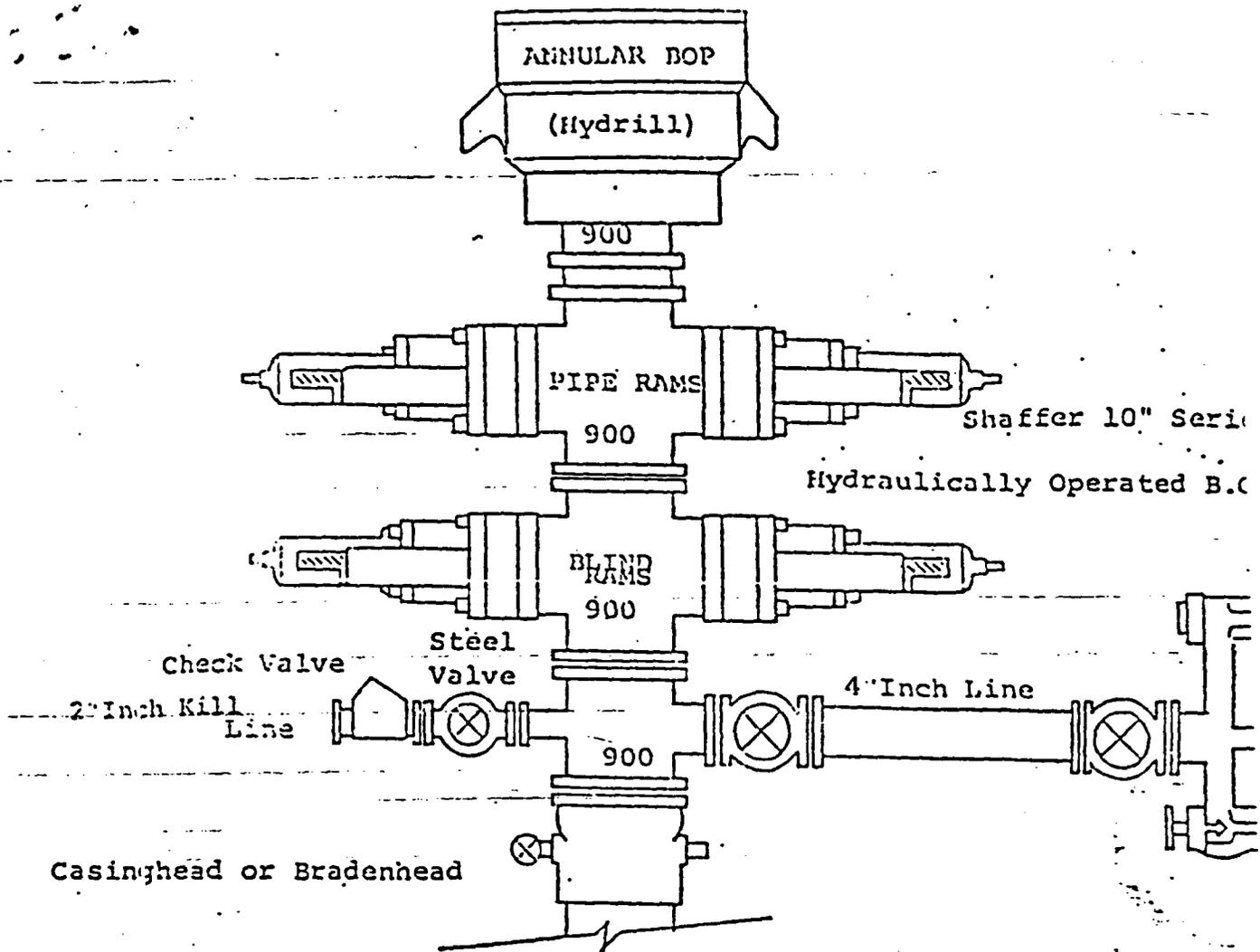
Date Surveyed  
**May 3, 1989**

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.  
**NM PE&LS NO. 5412**





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equal to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.
10. D. P. float must be installed and used below zone of first gas int:

County Eddy Pool Dagger Draw - Strawn Gas

TOWNSHIP 19 South Range 25 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

Ext:  $\frac{1}{2}$  Sec. 32 (R-7502, 4-20-84)

COUNTY Eddy POOL Dagger Draw - Strawn Gas

TOWNSHIP 20 South RANGE 25 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:  $\frac{1}{2}$  Sec. 6 (R-7839, 1-1-65)

Ext:  $\frac{1}{2}$  Sec. 5 (R-7502, 4-20-84)

N/2  
2-205-246







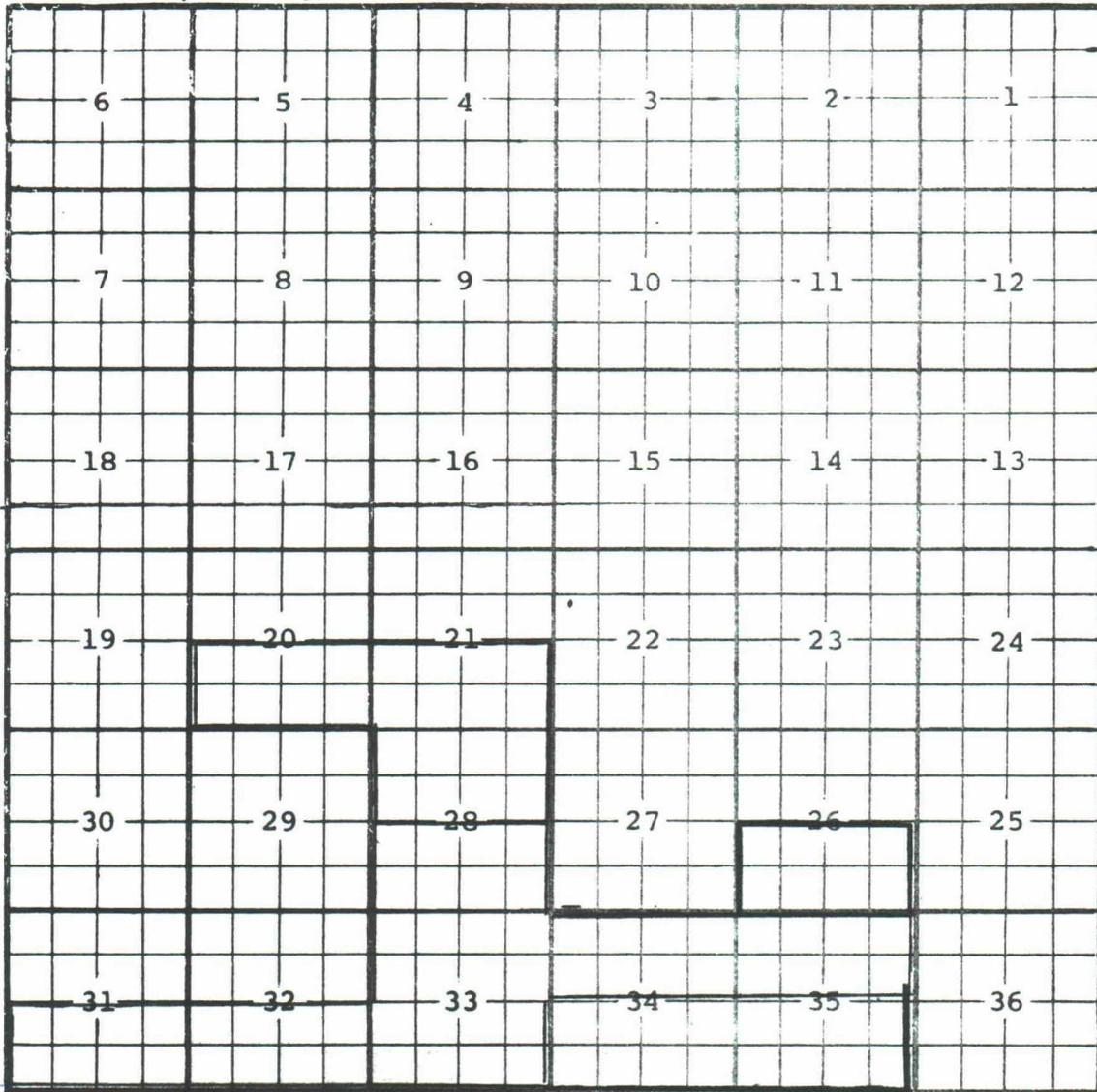
COUNTY Eddy

POOL Cemetery-Morrow Gas

TOWNSHIP 19 South

RANGE 25 East

NMPM



Ext: 1/2 Sec 28, 1/2 Sec 31, 1/2 Sec 32, All Sec 33, 1/2 Sec 34, -

- 1/2 Sec 35 (R-5417, 4-1-77) Ext: 1/2 Secs 20 & 21, -

- 1/2 Sec 28 (R-5791, 9-1-78) Ext: 1/2 Sec. 34, 1/2 Sec. 35 (R-7668, 8-21-84)

EXT: 1/2 SEC 26 (R-8827, 12-22-88)

2  
1/2 2-205-24E



County <u>Eddy</u>		Pool <u>Cemetery - Marrow Gas</u>			
Township <u>20 South</u>	Range <u>25 East</u>			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: All Sec 17 (R-2679, 4-1-64)

Ext:  $\frac{1}{2}$  Sec 16 (R-3189, 11-1-66) Ext: All Sec 20, 29 & 30 (R-4907, 6-11-74)

Ext: All Sec 8 (R-4321, 8-1-74) Ext:  $\frac{5}{2}$  Sec 5 (R-4861, 11-1-74)

Ext:  $\frac{1}{2}$  Sec 5 (R-4937, 2-1-75) Ext:  $\frac{5}{2}$  Sec 7,  $\frac{1}{2}$  Sec 21 (R-4969, 4-1-75)

Ext:  $\frac{5}{2}$  Sec 18 (R-5063, 7-1-75) Ext:  $\frac{1}{2}$  Sec 28 (R-5124, 12-1-75)

Ext: All Sec 31,  $\frac{1}{2}$  Sec 32 (R-5162, 3-1-76)

Ext: All Sec 19,  $\frac{5}{2}$  Sec 32 (R-5252, 9-1-76)

Ext: Sec: 3,  $\frac{1}{2}$  Sec: 4 All (R-7076-9-27-82)

Ext:  $\frac{1}{2}$  Sec 3 (R-7248, 3-30-83) Ext:  $\frac{1}{2}$  Sec 2 (R-7279, 5-17-83)

Ext:  $\frac{1}{2}$  Sec 11,  $\frac{1}{2}$  Sec 14,  $\frac{5}{2}$  Sec 15 (R-8747, 9/19/88) Ext:  $\frac{1}{2}$  Sec 10 (R-8945, 5-31-89)

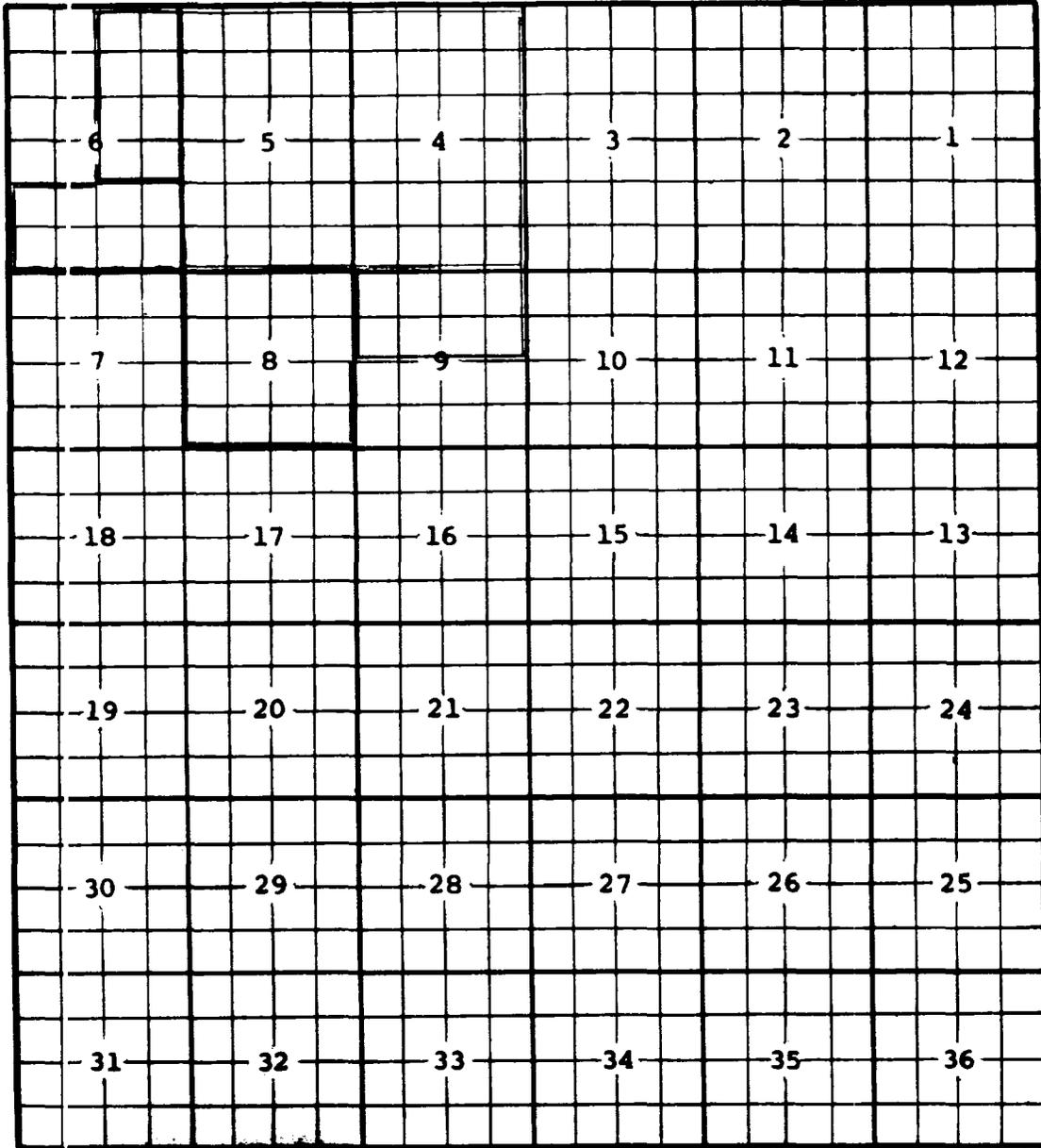
COUNTY Eddy

POOL Cemetary - Morrow Gas

TOWNSHIP 21 South

RANGE 24 East

NMPM



Ext: All Secs 4 & 5 (R-5162, 3-1-76)

Ext: Lots 1, 2, 7, 8, 9, 10, 15 & 16 Sec 6 (R-5417, 4-1-77)

Ext: 5/2 Sec 6 (R-5667, 4-1-78) Ext: 1/2 Sec 9 (R-5891, 1-1-79)

Ext: All Sec 8 (R-5885, 12-31-78)

**CEMETARY-MORROW GAS POOL  
(320-Acre Spacing)  
Eddy County, New Mexico**

Order No. R-3 94, Adopting 320-Acre Spacing for Wells in the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, February 15, 1967.

Application of Mobil Oil Company for 320-Acre Spacing, Eddy County, New Mexico.

CASE NO. 3526  
Order No. R-3194

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:** This cause came on for hearing at 9 a. m. on February 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1967, 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, Mobil Oil Company, seeks 320-acre spacing for the Cemetary-Morrow Gas Pool, Eddy County, New Mexico.

(3) That by Order No. R-2679, dated March 31, 1964, as amended by Order No. R-3139, dated October 26, 1966, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, was created and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations was amended in order to provide for 320-acre spacing for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older and created and defined after June 1, 1964.

(5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in the said Cemetary-Morrow Gas Pool.

**IT IS THEREFORE ORDERED:**

(1) That effective immediately, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cemetary-Morrow Gas Pool or within one mile of the Cemetary-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before March 1, 1967.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Cemetary-Morrow Gas Pool shall file a new Form C-102 with the Commission on or before March 1, 1967.

(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.

**INDIAN BASIN-UPPER PENNSYLVANIAN GAS POOL  
Eddy County, New Mexico**

Order No. R-2440, Creating and Adopting Temporary Operating Rules for the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, March 1, 1963.

Order No. R-2440-A, February 13, 1967, makes permanent the temporary rules adopted in Order No. R-2440.

Order No. R-4985, March 25, 1975, suspends Rules 14(A) and 15(A) of the General Rules and Regulations for Prorated Gas Pools of Southeastern New Mexico, adopted by Order No. R-1670, as amended, in the Indian Basin-Upper Pennsylvanian Gas Pool for a period of one year (until April 1, 1976); Rules 14(A) and 15(A) suspended for an additional year (through March 31, 1977), Order No. R-5187, March 17, 1976.

Application of Ralph Lowe to create a New Pool for Upper Pennsylvanian Gas Production and for Special Pool Rules, Eddy County, New Mexico.

CASE NO. 2749  
Order No. R-2440

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:** This cause came on for hearing at 9 o'clock a. m. on February 6, 1963, at Santa Fe, New Mexico,









COUNTY Eddy

POOL North Dagger Draw - Upper Pennsylvanian

TOWNSHIP 19 South

RANGE 24 East

NMPM

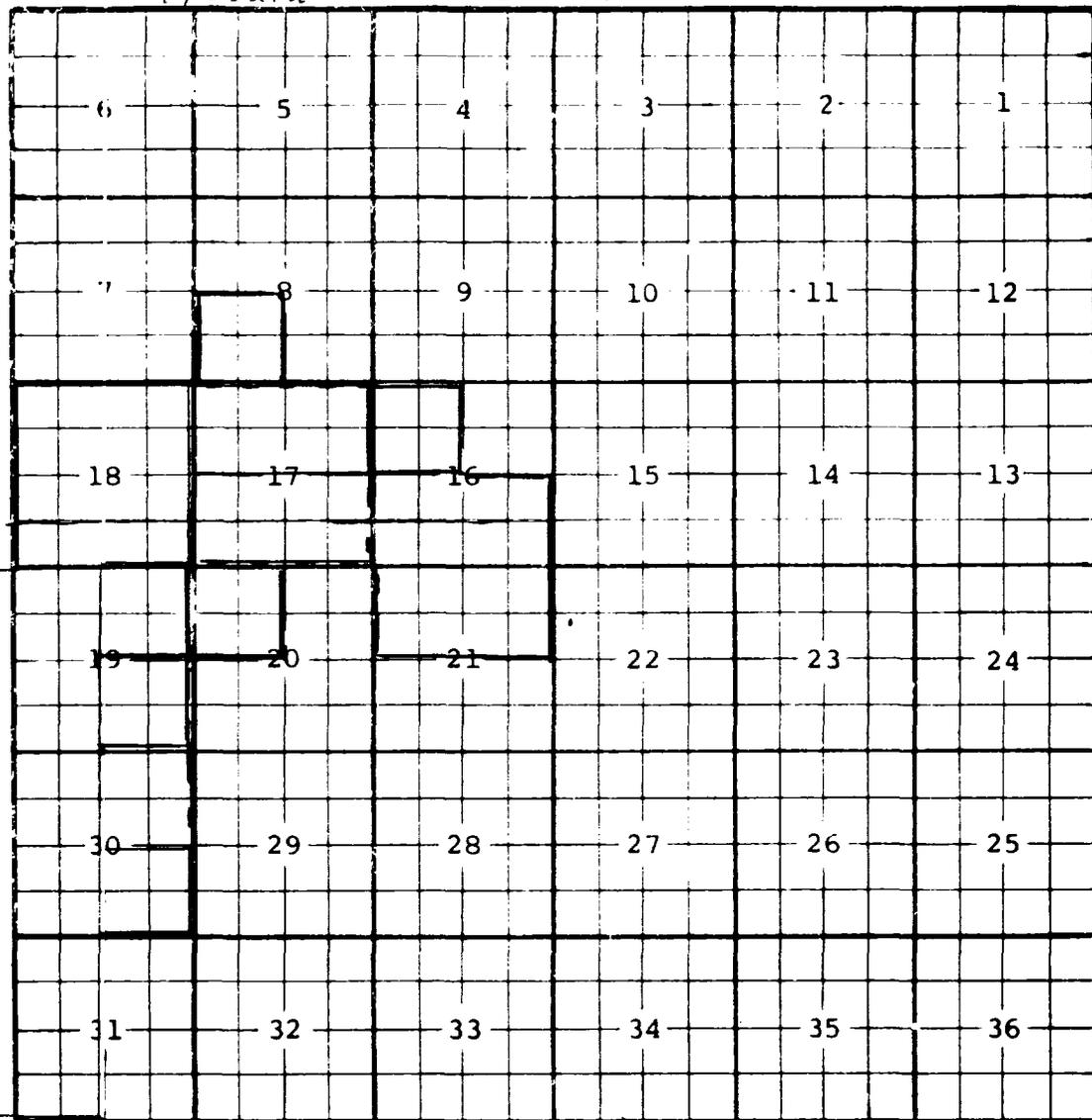
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description:  $\frac{E}{2}$  Sec 24,  $\frac{E}{2}$  Sec 25, All Sec 36 (R-4691, 1-1-74)

Ext:  $\frac{SE}{4}$  Sec 13 (R-5417, 4-1-77) EXT:  $\frac{W}{2}$  SEC 25 (R-8665, 6/9/88)

COUNTY Eddy POOL North Dagger Draw - Upper Pennsylvanian

TOWNSHIP 19 South RANGE 25 East NMPM



Description: All Sec 18, <sup>w</sup>/<sub>2</sub> Sec 19, <sup>w</sup>/<sub>2</sub> Sec 30, <sup>w</sup>/<sub>2</sub> Sec 31 (R-4691, 1-1-74)

Ext: <sup>N</sup>/<sub>2</sub> Sec 17 (R-4821, 8-1-74) Ext: <sup>S</sup>/<sub>2</sub> Sec 17 (R-5063, 7-1-75)

Ext: <sup>SE</sup>/<sub>4</sub> Sec 30 (R-5309, 11-1-76) Ext: <sup>NW</sup>/<sub>4</sub> Sec 16 (R-5667, 4-1-78)

Ext: <sup>S</sup>/<sub>2</sub> Sec 16, <sup>N</sup>/<sub>2</sub> Sec 21 (R-7131, 11-30-82) Ext: <sup>NE</sup>/<sub>4</sub> Sec 19 (R-8391, 1-22-87)

Ext: <sup>SE</sup>/<sub>4</sub> Sec 19 (R-8484, 8-13-87) Ext: <sup>NE</sup>/<sub>4</sub> Sec 30 (R-8665, 6/9/89)

Ext: <sup>SW</sup>/<sub>4</sub> sec 8 (R-8827, 12-22-88) Ext: <sup>NW</sup>/<sub>4</sub> sec 20 (R-8945, 5-31-89)

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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. 5117  
Order No. R-4691  
NOMENCLATURE

APPLICATION OF ROGER C. HANKS FOR  
POOL CREATION AND SPECIAL POOL RULES,  
EDDY COUNTY, NEW MEXICO.

*Also see*  
*R-4691-A*  
*R-4691-B*  
*R-4691-C*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 28, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of December, 1973, 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 Roger C. Hanks, seeks the establishment of a pool for production from the Upper Pennsylvanian (Cisco-Canyon) formation by the abolishment of the Parrish Ranch-Upper Pennsylvanian Pool and the Dagger Draw-Upper Pennsylvanian Pool and the creation of a new pool, designated the North Dagger Draw-Upper Pennsylvanian Pool, to take in all acreage formerly therein as well as requisite intervening acreage.

(3) That the applicant further seeks the promulgation of temporary special pool rules for the proposed new pool including a provision for 320-acre spacing, limited well locations, and the assignment of a special depth bracket allowable of 427 barrels of oil per day.

(4) That the reservoir characteristics of the proposed pool indicate that it cannot be efficiently and economically drained and developed on less than 320-acre spacing.

(5) That temporary special rules and regulations providing for 320-acre spacing for wells should be promulgated for the proposed pool in order to 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, prevent reduced recovery which might result from the drilling of too few wells, and otherwise prevent waste and protect correlative rights.

(6) That the depth bracket allowable for oil wells in the proposed pool should be 427 barrels of oil per day.

(7) That the application for pool abolishment, pool creation, and temporary special pool rules should be granted.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1974, the Dagger Draw-Upper Pennsylvanian Pool heretofore defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 36: E/2 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 30: W/2 W/2  
Section 31: NW/4

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: NW/4

and the Parrish Ranch-Upper Pennsylvanian Pool heretofore defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 13: E/2 SE/4  
Section 24: NE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: N/2 S/2 and SE/4 NE/4

are hereby abolished.

(2) That effective January 1, 1974, a new pool is hereby created and designated the North Dagger Draw-Upper Pennsylvanian Pool with vertical limits consisting of the Upper Pennsylvanian (Cisco-Canyon) formation as found from a depth of 7575 feet to 7918 feet on the log of the Monsanto Hondo Well No. 1, located in Unit C of Section 31, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and horizontal limits defined as:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 24: E/2  
Section 25: E/2  
Section 36: All

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 18: All  
Section 19: W/2  
Section 30: W/2  
Section 31: W/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: N/2

(3) That effective January 1, 1974, temporary Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
NORTH DAGGER DRAW-  
UPPER PENNSYLVANIAN POOL

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

RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, comprising any two contiguous quarter section of a single governmental section, being a legal subdivision of the United States Public Land Surveys provided that for the purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard 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 and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a standard proration unit for the well under the applicable provisions of Rule 2 above and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interest in the standard proration unit for the well in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract nor nearer than 1980 feet to the nearest end boundary of the tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the 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 Secretary-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 Secretary-Director has received the application.

RULE 6. That the special depth bracket allowable for a well on a 320-acre tract shall be 427 barrels of oil per day.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the appropriate district office of the Commission in writing of the name and location of the well on or before March 1, 1974.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing oil wells in the North Dagger Draw-Upper Pennsylvanian Pool shall have dedicated thereto 320 acres and existing gas wells in said pool shall have dedicated thereto 320 acres, in accordance with the foregoing pool rules or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable.

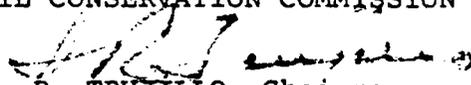
Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Dagger Draw-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof shall receive no more than a 40-acre allowable for this pool.

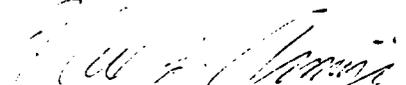
(3) That this cause shall be reopened in January, 1976 to permit operators in the subject pool to appear and show cause why the special rules promulgated herein should remain in effect.

(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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

tr/

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. 5117  
Order No. R-4691-A

IN THE MATTER OF CASE 5117 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691,  
WHICH ORDER ESTABLISHED TEMPORARY SPECIAL POOL  
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN  
POOL, EDDY COUNTY, NEW MEXICO.

*also see  
R-4691-B  
R-4691-C*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 20, 1976,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of February, 1976, 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 by Order No. R-4691, dated December 11, 1973,  
temporary special rules and regulations were promulgated for the  
North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New  
Mexico, establishing temporary 320-acre spacing units and  
proration units, and a special depth bracket allowable of 427  
barrels of oil per day.
- (3) That pursuant to the provisions of Order No. R-4691,  
this case was reopened to allow the operators in the subject pool  
to appear and show cause why the North Dagger Draw-Upper Pennsyl-  
vanian Pool should not be developed on 160-acre spacing units  
and why the special depth bracket allowable should remain in  
effect.
- (4) That the evidence establishes that one well in the  
North Dagger Draw-Upper Pennsylvanian Pool can efficiently and  
economically drain and develop 160 acres and that the depth  
bracket allowable should be commensurate therewith, or 267  
barrels of oil per day.

(5) That the Special Rules and Regulations promulgated by Order No. R-4691, if amended to provide for 160-acre well spacing and proration units, and to provide a depth bracket allowable of 267 barrels of oil per day, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(6) That this case should be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool should appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a depth bracket allowable of 267 barrels of oil per day.

(2) That this case shall be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool shall appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

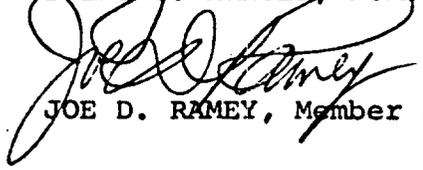
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
PHIL R. LUCERO, Chairman

  
EMERY O. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

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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. 5763  
Order No. R-4691-B

APPLICATION OF ROGER C. HANKS FOR  
A SPECIAL DEPTH BRACKET ALLOWABLE,  
EDDY COUNTY, NEW MEXICO.

*Also see R 4691-A*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of October, 1976, 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, Roger C. Hanks, seeks the amendment of Commission Order No. R-4691-A to provide for a special depth bracket allowable of 350 barrels per day for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico.
- (3) That the wells in said North Dagger Draw-Upper Pennsylvanian Pool produce large quantities of water.
- (4) That if such wells are shut in, because of allowable restriction or any other reason, water production increases and oil production decreases substantially.
- (5) That wells in said pool are not adversely affected by high rates of production but are instead improved thereby.
- (6) That approval of the application should serve to prevent waste and will not violate correlative rights.
- (7) That the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That Order (1) of Commission Order No. R-4691-A is hereby amended to read in its entirety as follows:

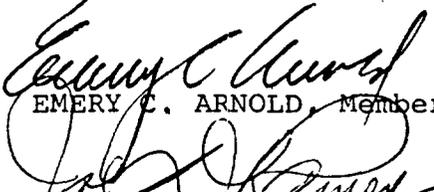
"(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a special depth bracket allowable of 350 barrels of oil per day."

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

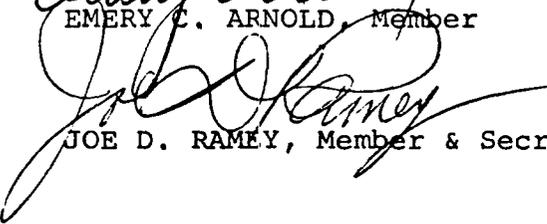
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF CASE 5117 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691-A,  
WHICH ORDER EXTENDED THE TEMPORARY SPECIAL POOL  
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN  
POOL, EDDY COUNTY, NEW MEXICO.

CASE NO. 5117  
Order No. R-4691-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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 by Order No. R-4691 dated December 11, 1973, temporary special rules and regulations were promulgated for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, establishing 320 acre spacing for the pool and a special depth bracket allowable of 427 barrels of oil per day.
- (3) That by Order No. R-4691-A dated February 3, 1976, the spacing was changed from 320 to 160 acres and the special depth bracket allowable from 427 barrels per day to 267 barrels per day.
- (4) That Order No. R-4691-B dated October 12, 1976, left the spacing unchanged at 160 acres but changed the special depth bracket allowable from 267 barrels per day to 350 barrels of oil per day.
- (5) That pursuant to the provisions of Order No. R-4691-A this case was reopened to allow the operators in the subject pool to appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre spacing units.

(6) That the evidence establishes that one well in the North Dagger Draw-Upper Pennsylvanian Pool can efficiently and economically drain and develop 160 acres and that the Special Depth Bracket Allowable of 350 barrels of oil per day should be retained.

(7) That the Special Rules and Regulations promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool, will protect correlative rights, and will not cause waste.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-4691, as amended, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

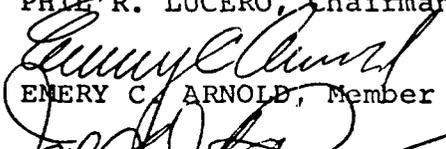
(1) That the special rules and regulations for the North Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, are hereby continued in full force and effect until further order of the Commission.

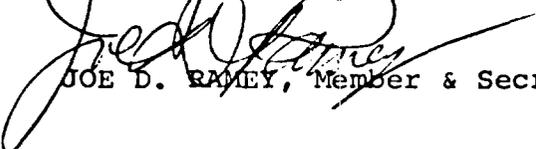
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

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