

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-015-23078

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

## 5. LEASE DESIGNATION AND SERIAL NO.

NM 0473362

## 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## 7. UNIT AGREEMENT NAME

None

## 8. FARM OR LEASE NAME

DWU

## 9. WELL NO.

#4

## 10. FIELD AND POOL, OR WILDCAT

Winchester-Morrow

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA

T-19-S

Unit 0, Sec 34, R-28-E

## 12. COUNTY OR PARISH

Eddy

## 13. STATE

New Mexico

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

NOV 27 1979

SINGLE  
ZONE ☐MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Hillin Production Company

## 3. ADDRESS OF OPERATOR

P.O. Box 152, Odessa, Texas 79760

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface 800' FSL &amp; 2000' FEL

At proposed prod. zone

Morrow Sand

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

12 miles NE of Carlsbad, New Mexico

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

800'

## 16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

7000'

## 19. PROPOSED DEPTH

11,300

## 20. ROTARY OR CABLE TOOLS

Rotary

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3298.0 GR

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	61#	300+	Circ. to surface
11"	8 5/8"	24#-32#	3000+	Circ. to surface csg.
7 7/8"	4 1/2 or 5 1/2	11.6# or 17#	11,300	As needed for completion

BOP Equipment - 1500 (5000# WP) Series double ram hydraulic preventer  
with 1500 Series Hydril and choke manifold. See Exhibit "C"

Mud program - fresh water with conversion to controlled KCL/brine water  
with weights and mud properties as necessary for blow out  
protection and proper hole conditions. See Exhibit "F"

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

## 24.

SIGNED

R. N. Hillin

TITLE

Owner-Operator

DATE

10-12-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

11-26-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

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

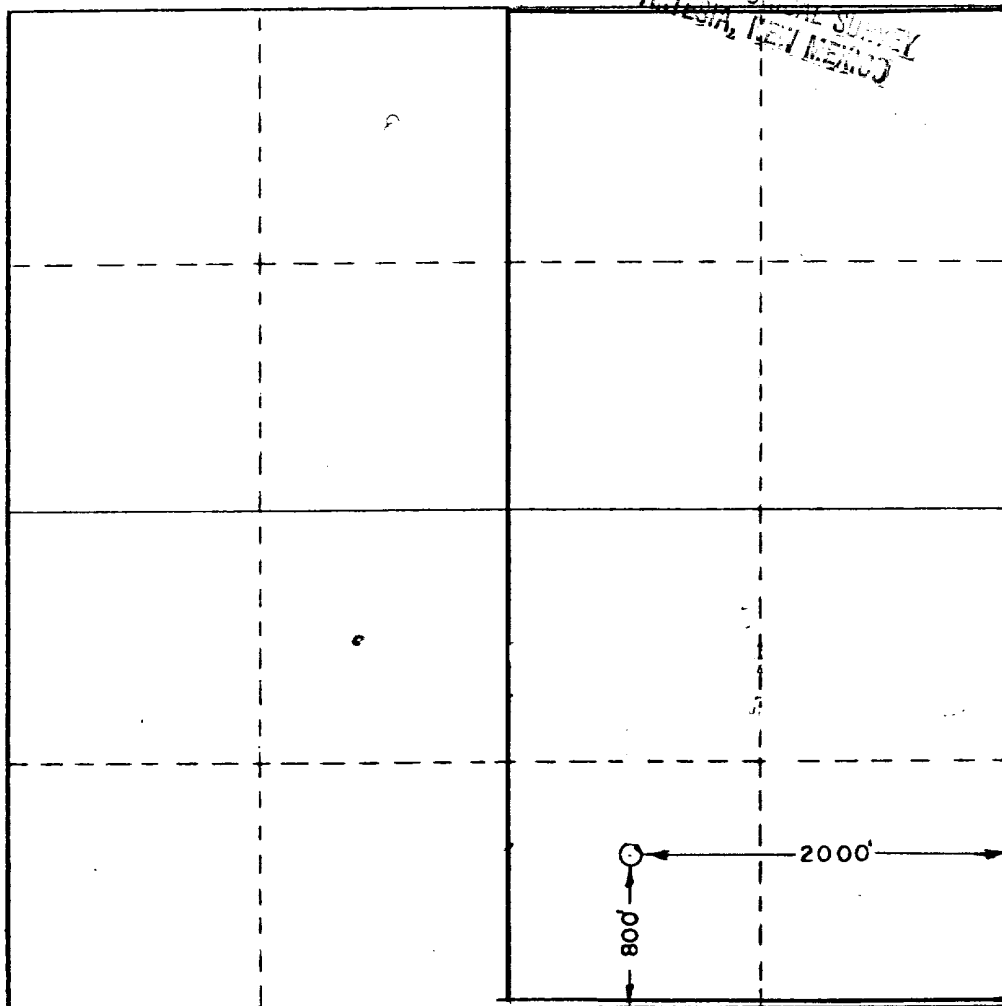
Operator <b>HILLIN PRODUCTION COMPANY</b>			Lease <b>D W U</b>		Well No. <b>#4</b>
Tract Letter <b>"0"</b>	Section <b>34</b>	Township <b>19 South</b>	Range <b>28 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>800</b> feet from the <b>South</b> line and <b>2000</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3298.0</b>	Producing Formation <b>Morrow Sand</b>		Pool <b>Winchester-Morrow</b>	Dedicated Acreage: <b>320</b> 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 communitization

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.

Name B. N. Hillin  
Position Owner-Operator  
Company Hillin Production Co.  
Date October 11, 1979

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 September 17, 1979  
Registered Professional Engineer and/or Land Surveyor  
Leuschke Jones  
Certificate No. 3640



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

RECEIVED

NOV 27 1979

November 26, 1979

Hillin Production Company  
P. O. Box 152  
Odessa, Texas 79760

Gentlemen:

HILLIN PRODUCTION COMPANY DWU No. 4 800 FSL 2000 FEL Sec. 34 T.19S R.28E Eddy County Lease No. NM 0473362
Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 11,300 feet to test the Morrow is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
6. A kelly cock will be installed and maintained in operable condition.



7. After setting the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
8. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
  - (1) A recording pit level indicator to determine pit volume gains and losses.
  - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
  - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
9. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 8-5/8" casing.
10. Cement behind the 13-3/8" casing must be circulated.
11. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

George H. Stewart  
Acting District Engineer

## APPLICATION FOR DRILLING

Hillin Production Company  
DWU #4  
800' FSL & 2000' FEL  
Unit 0, Sec. 34  
T-19-S, R-28-E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Hillin Production Company submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is recent deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	-	2200'
Glorieta	-	5370'
Abo	-	6500'
Bone Spring	-	8250'
Wolfcamp	-	8920'
Cisco-Canyon	-	9830'
Strawn	-	10,100'
Atoka	-	10,510'
Morrow	-	10,890'
Barnett	-	11,210'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 200 feet.

Oil or Gas: Wolfcamp - Approximately 8900' - 9000'

Strawn - 10,000' - 10,200'

Atoka-Morrow: Approximately 10,500' - 11,200'

4. Proposed Casing Program: See Form 9-331C and Exhibit D.
5. Pressure Control Equipment: See Form 9-331C and Exhibit C.
6. Mud Program: See Exhibit E.
7. Auxiliary Equipment: See Exhibit C.
8. Testing, Logging and Coring Programs:

Drill stem tests (all DST's to be justified by a valid show of oil or gas):

Wolfcamp	-	8900'
Strawn	-	10,000'
Atoka-Morrow	-	10,500'

APPLICATION FOR DRILLING  
Hillin Production Company  
DWU #4

Logging:

Logging unit from 8000' to TD.

Electric Log Program:

Neutron Porosity Log w/GR-Caliper

Dual Induction Laterolog

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as government paper work completed, within 10-15 days or will be delayed indefinitely, due to rig availability.

HILLIN PRODUCTION COMPANY

Multi-Point Surface Use and Operations Plan

DWU #4  
800' FSL & 2000' FEL  
Unit 0, Sec. 34  
T-19-S, R-28-E  
Eddy County, New Mexico

NOV 3 1977  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
DENVER, COLORADO

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS

- A. The proposed location is situated approximately 12 miles south of Artesia, New Mexico.

See attached reproduction from U.S.G.S. Oil City Quadrangle, marked Exhibit "A", for older existing and some non-existent roads. More recent roads and access roads to other well locations are shown on map marked Exhibit "B" with an orange color.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately .2 mile in length from point of origin to the edge of the drilling pad. The road will lie in a north to south direction. (as indicated by the green line on Exhibit "B")
- B. The new road will be 12 feet in width (driving surface), except at the point of origin, adjacent to the existing road, at which point enough additional width will be provided to allow heavy trucks and equipment to turn.
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. No turnouts will be necessary.
- D. The center line of the new road has been staked and flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. The well locations in the vicinity of the proposed well are shown in Exhibit "B".

Hillin Production Company  
DWU #4

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There is no producing well on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed road shown in Exhibits "A" and "B".

6. SOURCES OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad and the new access road will be obtained from an existing pit on federally owned surface shown on Exhibit "A".

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling Fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the USGS for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.



9. WELLSITE LAYOUT.

- A. Exhibit "C" shows the dimensions of the well pad and reserve pits, and the location of major rig components.
- B. The ground surface at the drilling location will be leveled and covered with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finished drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. TOPOGRAPHY.

- A. The wellsite and access route are located in a hilly area.
- B. The top soil at the wellsite is sandy.
- C. The vegetation cover at the wellsite is moderately sparse, with prairie grasses, some yucca, and miscellaneous weeds.
- D. No wildlife was observed but it is likely that rabbits, lizards, insects, and rodents traverse the area. The area is used for cattle grazing.
- E. There are no ponds, lakes, streams, or rivers within several miles of the wellsite.
- F. There is an abandoned ranch house approximately 1 mile northeast of the proposed site.
- G. The wellsite is located on federal surface.
- H. There is no evidence of any archaeological, historical, or cultural sites in the vicinity of the location.

Hillin Production Company  
DWU #4

12. OPERATOR'S REPRESENTATIVES.

A. The field representatives responsible for assuring compliance with the approved surface use plan are:

T. G. Furstenberg  
Drilling Superintendent  
Hillin Production Company  
P.O. Box 152  
Odessa, Texas 79760

Phone: 915/563-3560 (office)  
915/332-3164 (home)

R. N. Hillin  
Engineer  
Hillin Production Company  
P.O. Box 152  
Odessa, Texas 79760

Phone: 915/563-3560 (office)  
915/366-6908 (home)

Don Graham  
Geologist  
Hillin Production Company  
P.O. Box 152  
Odessa, Texas 79760

Phone: 915/694-3813 (home)  
915/563-1822-Unit 3525 (mobile)

13. CERTIFICATION.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Hillin Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10/25/79  
Date

HILLIN PRODUCTION COMPANY

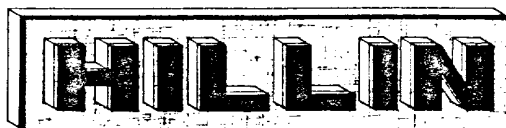
BY: Beverly Lawrence  
Beverly Lawrence  
Land and Production Secretary



# HILLIN

## EXHIBIT C

Hillin Production Company  
DWU #4  
800' FSL & 2000' FEL  
Unit 0, Sec. 34  
T-19-S, R-28-E  
Eddy County, New Mexico



## DRILLING COMPANY

P. O. Box 152 • Odessa, Texas 79760 • (915) 563-3560

**Depth Rating: 14,000'**

### DRAWWORKS

National H-1200  
Drum : 1 1/4" Lebus Grooving.  
Compound : National 2 sectional.  
Auxiliary Brake : 40" Double

### ENGINES

Two 620 HP Waukesha F2896DSIU Diesels

### DERRICK

133' 540,000# Lee C. Moore

### SUBSTRUCTURE

15' 540,000# Lee C. Moore

### MUD PUMPS

No. 1: 5 1/2" x 18" National C-350, compound driven.  
No. 2: 5 1/2" x 15" National K-500, driven by 540 HP Caterpillar D-397

### DRILL STRING

1,200' 4 1/2" XH BN Grade E 20#.  
10,000' 4 1/2" XH BN Grade E 16.60#.  
3,500' 4 1/2" XH BN Grade G 16.60#  
Twenty-four 6 1/2" OD x 2 1/4" ID x 30' drill collars  
w/5" H90 connections

### BLOWOUT PREVENTERS

Two Cameron QRC 10" 900 Series. 4" choke manifold 1500 series, all flanged connections.  
Hydril 3-station w/80-gallon accumulator bottle

### MUD PITS

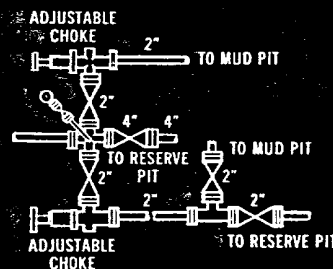
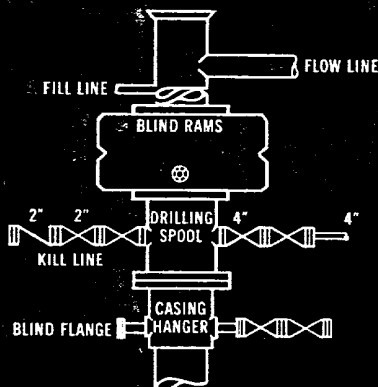
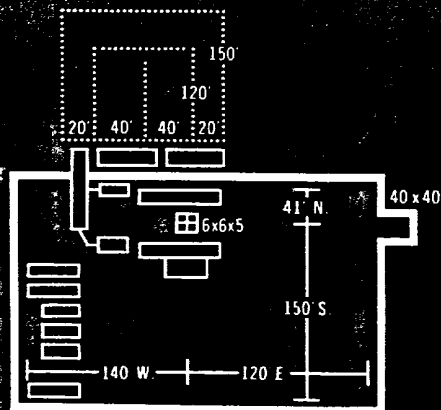
Three 6' x 7 1/2' x 30' steel pits. 800 bbl capacity

### OTHER EQUIPMENT

Block : 300-ton Brewster 5-sheave  
Hook : 300-ton BJ 4300  
Swivel : 300-ton National Type E  
Light Plants : Two 60 k.w. Caterpillar  
3-phase 110v 60 cycle AC.  
Vapor proof safety lights

Fresh Water  
Storage : Two 500 bbl tanks  
Communication : 24-hour two-way radio

Rig Completely  
Reconditioned August 1978



HILLIN PRODUCTION COMPANY

SUMMARY

Drilling, Drill Stem Tests, Casing and Cementing Program

1. Drill 17 1/2" hole to 325'±. Will be in recent deposits surface.
2. Cement 13 3/8", 61#, K-55 casing with 225 sacks Class "C" w/4% gel and 2% CC. Run Texas Pattern Guide Shoe and weld first few joints of casing. Use one wooden plug to displace cement.
3. Release pressure after 6 hours, nipple up and install BOP's. Test casing to 600 psi after 12 hours and drill out cement.
4. Drill 11" hole to 3000'± in San Andres. No problems anticipated.
5. Cement 8 5/8", 28#, K-55 casing with 900 sacks cement and circulate to surface. Run guide shoe and insert float on bottom joint, and 3 centralizers. Weld first few joints of casing. Use one rubber plug to displace cement.
6. Release pressure immediately (if float holds) nipple up and install BOP's. Test casing to 1500 psi for 30 minutes after WOC 18 hours and drill out cement after 24 hours.
7. Drill 7 7/8" hole to TD at 11,250'±. A fresh water mud system will be used to 9000'. At that point the system will be mudded up to 10#/gal. to obtain good samples and proper hole conditions. See attached Mud Program for details. Flow line sensors will be utilized. Drill stem tests will be run as "shows" occur.

DST flow periods and shut-in time will be determined on location. A mud logging unit will be on location at 9000' to assist in evaluating samples and shows for exact drill stem test intervals. Run Formation Density-Compensated Neutron-Gamma Ray Log, Dual Induction-Laterolog, and Microlaterolog.
8. Run 4 1/2" or 5 1/2", N-80 casing and cement as necessary for proper completion of well. Use guide shoe and float collar, and centralizers where necessary. Use top and bottom rubber plugs, displace cement with clean, fresh water treated with 2% KCL and non-emulsifying agent (2 gals. NE per 1000 gals. water).
9. Perforations, acid job, and additional stimulation to be determined after completion.

EXHIBIT D

Hillin Production Company  
DWU #4  
800' FSL & 2000' FEL  
Unit 0, Sec. 34  
T-19-S, R-28-E  
Eddy County, New Mexico

HILLIN PRODUCTION COMPANY

Mud Program

Surface: 325' of 13 3/8"

Spudding with fresh water gel to which lime is added to a  
36-38 Sec./1000<sup>cc</sup>.

Intermediate: 3000' of 8 5/8"

Will drill out with fresh water to 3000', will sweep hole at TD  
before running casing.

Comments:

Having drilled 2 wells within 1/4 to 1/2 mile of this location,  
do not anticipate any problems.

Production: 11,250' of 4 1/2" or 5 1/2"

Drill from bottom of intermediate to 9000' with fresh water  
maintaining pH control (10.0 to 10.5). At 9000' displace hole  
with 10# KCL brine water for inhibition of shales and pressure  
control. Build viscosity and water loss control as needed for  
samples and proper hole conditions.

1. We will circulate reserve, returning to steel pits at  
mud up depth.
2. A desander will be used when mudded up.

EXHIBIT E

Hillin Production Company  
DWU #4  
800' FSL & 2000' FEL  
Unit 0, Sec. 34  
T-19-S, R-28-E  
Eddy County, New Mexico

OCT 1 1979

KELLAHIN and KELLAHIN

*Attorneys at Law*

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone 982-4285  
Area Code 505

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

September 27, 1979

*File*

Mr. Oscar Person  
P. O. Box 8108  
Midland, Texas 79703

*D.W.U. #1-R.*

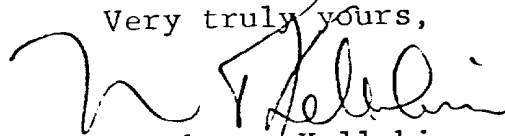
Mr. R. N. Hillin  
P. O. Box 152  
Odessa, Texas 79760

Re: New Mexico Oil Conservation Division  
Order No. R-6106  
Case No. 6579

Gentlemen:

Please find enclosed a copy of the above referenced Division Order which approves the requested unorthodox well location and infill drilling for the E/2 of Section 34, T19S, R28E, NMPM, Eddy County, New Mexico.

Very truly yours,

  
W. Thomas Kellahin

WTK:eps  
Enclosure

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. 6579  
Order No. R-6106

APPLICATION OF R. N. HILLIN FOR AN  
UNORTHODOX WELL LOCATION AND APPROVAL  
OF INFILL DRILLING, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22, 1979,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of September, 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, R. N. Hillin, seeks a waiver of  
existing well spacing requirements and a finding that the drill-  
ing of a Morrow gas well at an unorthodox location 800 feet from  
the South line and 2000 feet from the East line of Section 34,  
Township 19 South, Range 28 East, is necessary to effectively  
and efficiently drain that portion of the E/2 of said Section  
34 which cannot be so drained by the existing well.
- (3) That the standard spacing unit in the Winchester-Morrow  
Gas Pool is 320 acres.
- (4) That R. N. Hillin is the operator of a 320-acre tract  
consisting of the E/2 of said Section 34 in said Winchester-  
Morrow Gas Pool.
- (5) That said 320-acre standard proration unit is dedicated  
to the DWU Federal Well No. 1 located in Unit J of said Section 34.



(6) That production from said DWU Federal Well No. 1 declined from an average monthly rate of over 8000 Mcf in early 1974 to just over 1000 Mcf in 1978, despite installation of a compressor to help feed the well into the pipeline.

(7) That the evidence presented demonstrated that said DWU Federal Well No. 1 is no longer effectively and efficiently draining the aforesaid dedicated 320-acre proration unit.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said well at an unorthodox location may result in the production of additional gas in excess of one billion cubic feet from applicant's acreage which would not otherwise be recovered from the proration unit.

(9) That such additional recovery from the proration unit will result in said unit being more efficiently and economically drained.

(10) That said well is to be drilled as an "infill" well on the existing 320-acre proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 320-acre standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling should be approved as an exception to the standard well spacing requirements for said Winchester-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, R. N. Hillin, is hereby authorized to drill a well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, as an infill well on an existing 320-acre standard proration unit being the E/2 of said Section 34, Winchester-Morrow Gas Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing 320-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

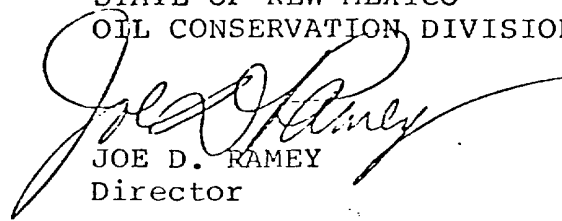
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6579  
Order No. R-6106

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

S E A L

fd/