

IT IS THEREFORE ORDERED THAT: R-8804 APR 12-8-88

- (1) The applicant, Read & Stevens, Inc., is hereby authorized to drill a well at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, NMPM, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, Eddy County, New Mexico.
- (2) The E/2 of said Section 19 shall be dedicated to the above described well.
- (3) The subject well is hereby assigned a production limitation factor of 0.33 for Morrow gas production.
- (4) In the absence of any special rules and regulations prorating gas production in the subject Morrow Pool(s), the well's production each day of the first year's production shall be limited to 33% of 42.24% of the CAOF established by test as required by Rule 401 of the General Rules and Regulations, or to 500 MCF gas per day, whichever is greater.
- (5) Before October 1st each year following the well's completion, the shut-in pressure shall be measured and reported as required by General Rule 402, and a new CAOF shall be calculated based on the revised shut-in pressure so as to establish a revised maximum flow rate as described in Ordering Paragraph No. (4) above until such penalized flow rate becomes less than 500 MCF gas per day. The revised penalized flow rate shall become effective November 1. In the event of failure to establish a satisfactory slope of the 4-point test required in Ordering Paragraph No. (4) above, a slope of 0.730 shall be used in calculating CAOF.
- (6) Production during any month at a rate less than the limitation described above shall not be carried forward as underproduction into succeeding months, but overproduction of such limitation during any month shall be made up in the next succeeding month or months by shut-in or reduced rates as required by the District Supervisor of the Division.
- (7) In the event the subject well is completed in another formation and/or pool developed on 320-acre spacing, the Director of the Division shall have the authority to reopen this case to determine an appropriate production penalty for said formation.
- (8) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

3-21-89
Qualitative Micro-SFL

Comp. Neutron
Litho density

Repeat Formation Tester

Electromagnetic
Propagation

Acoustic Impedance

1 4 1000
per 1000

- John Mackay - Cunningham C107 A Approval to
Surre F. for approval. Ready to go.
Millman, GN-OB-SA, East
LWC gates