

(4) In Case No. 12105 Texaco seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the following described acreage in Section 1, in the following manner:

- (a) all of Section 1 to form a non-standard 853.62-acre gas spacing and proration unit for any pool developed on 640-acre spacing within that vertical extent, which presently includes only the Catclaw Draw-Morrow Gas Pool; and
- (b) Lots 11 through 14 and 19 through 22 to form a 288.19-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include the Undesignated McMillan-Cisco Gas Pool and Undesignated Springs-Upper Pennsylvanian Gas Pool.

Both units are to be dedicated to Texaco's proposed Rocky Arroyo Federal Com. Well No. 1 to be drilled at an unorthodox gas well location 3200 feet from the North line and 660 feet from the West line (Lot 13/Unit M) of Section 1.

(5) These three cases were consolidated for the purpose of presenting testimony and, since all three involve the same acreage and subject matter, one order should be entered.

(6) Matador, Texaco, Mewbourne, and Penwell Energy, Inc. ("Penwell") all entered appearances at the hearings in these cases.

(7) The Catclaw Draw-Morrow Gas Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM

Irregular Section 1:	All
Irregular Section 2:	Lots 9 through 16 and S/2
Sections 11 through 14:	All
Sections 23 through 28:	All
Sections 34 through 36:	All

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 19:	All.
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(8) The Catclaw Draw-Morrow Gas Pool is governed by the "*General Rules and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Catclaw Draw-Morrow Gas Pool*," as set forth in Division Order No. R-8170, as amended, which requires standard 640-acre gas spacing and proration units with wells to be located no

closer than 1650 feet from the outer boundary of a proration unit nor closer than 330 feet from any governmental quarter-quarter section or subdivision inner boundary. However, Division Order No. R-10328, issued in Case No. 11211 and dated March 27, 1995, suspended prorationing (the assignment of gas allowables) in the Catclaw Draw-Morrow Gas Pool. All other rules, regulations, and policies governing this pool, including the authorization for infill wells, remained in effect [see Ordering Paragraph No. (4) of Division Order No. R-10872-B].

(9) All other gas bearing intervals from the top of the Wolfcamp formation to the top of the Catclaw Draw-Morrow Gas Pool, which include the Undesignated Springs-Upper Pennsylvanian Gas Pool, Undesignated McMillan-Cisco Gas Pool, Undesignated Avalon-Strawn Gas Pool, Undesignated East Catclaw Draw-Strawn Gas Pool, and Undesignated Avalon-Atoka Gas Pool, are subject to either Division Rule 104.B(1)(a) or 104.C(2)(b).

(10) Section 1 comprises a total area of 853.62 acres consisting of six rows each containing four lots and/or quarter-quarter sections, being legal governmental subdivisions, therein [See Finding Paragraph No. (6) in Division Order No. R-10833, issued in Case Nos. 11716, 11717, 11739, 11740, 11741, and 11753, dated May 22, 1997, on the subject of irregular sized and shaped sections]. For the purpose of this order the proposed 600.01-acre unit sought by Matador and the 555.74-acre unit sought by Texaco will be considered "standard" sized units for the Catclaw Draw-Morrow Gas Pool since both are confined to a single section, "consist of contiguous surface acreage," are configured "substantially in the form of a square," and, as nearly as possible, contain the appropriate amount of acreage (640) [see Rule 2(a)2 of Division Order No. R-8170]. Also, the proposed 297.88-acre lay-down unit sought by Matador and the 288.19-acre stand-up unit sought by Texaco can be considered standard pursuant to Division Rules 104.B(1)(a) and 104.C(2)(b) since both are confined to a single section, are rectangular in shape, comprise two contiguous quarter sections, or equivalents, and, as nearly as possible, contain the appropriate amount of acreage (320).

(11) On April 3 and May 1, 1997, the Division heard:

- (a) Case No. 11723 in which Mewbourne sought approval of a non-standard 297.88-acre gas spacing and proration unit (bottom one-third equivalent) for Catclaw Draw-Morrow Gas Pool production comprising Lots 29, 30, 31, and 32 and the SW/4 (S/2 equivalent) of Section 1 for its well to be drilled at an unorthodox gas well location 660 feet from the South line and 2310 feet from the East line (Lot 31/Unit W) of Section 1; and
- (b) Case 11755 in which Fasken Oil and Ranch, Ltd. ("Fasken") sought approval of the same non-standard 297.88-acre gas spacing and proration unit for Catclaw Draw-Morrow Gas Pool production for its