

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**CASE NO. 12309  
ORDER NO. R-11308**

**APPLICATION OF POGO PRODUCING COMPANY FOR A NON-STANDARD  
GAS SPACING AND PRORATION UNIT AND AN UNORTHODOX GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on December 16, 1999, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13<sup>th</sup> day of January, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Pogo Producing Company, seeks an exception to the well location and spacing requirements provided within the "*Special Rules and Regulations for the McMillan-Morrow Gas Pool*," set forth in Division Order No. R-2917, as amended; for: (i) the formation of a non-standard 318.82-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of Section 7, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico, and (ii) the dedication of this unit to its proposed Davis "7" Well No. 1 to be drilled at an unorthodox gas well location 660 feet from the South and West lines (Lot 4/Unit M) of Section 7.

(3) The "*Special Rules and Regulations for the McMillan-Morrow Gas Pool*" currently require standard 640-acre gas spacing and proration units with wells to be located no closer than 1650 feet to the outer boundary of the section and no closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.