

CASE 4630: Appli. of C. W. TRAINER
FOR A NON-STANDARD GAS UNIT,
LEA COUNTY, NEW MEXICO.

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Date 11-18-71

Letter to

Shell Oil Co -

(Chuck George)

Had copy of shell - letter
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Case Number
4630

Application

Transcripts

Small Exhibits

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 1, 1971

EXAMINER HEARING

-----)
IN THE MATTER OF:)

Application of C. W. Trainer)
for a non-standard gas unit,)
Lea County, New Mexico)

Case No. 4630

-----)
BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPAGEMARVIN C. GROSS

Direct Examination by Mr. Losee

3

E X H I B I T S

	<u>Marked</u>	<u>Offered and Admitted</u>
--	---------------	---------------------------------

Applicant's Exhibits Nos. 1 thru 5

3

17

MR. NUTTER: The Hearing will come to Order, please. Let the record show that this Hearing was continued at 10:30 A.M. until 12:00 o'clock at which time it was reconvened and recessed until 2:30 this afternoon.

We will now call the next case, Case No. 4630.

MR. HATCH: Case No. 4630. Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee of Losee and Carson, representing the Applicant, C. W. Trainer. I have one witness, Mr. Marvin Gross.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification.)

MARVIN C. GROSS

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name and residence, please?

A Marvin C. Gross, 210 South Lea Avenue, Roswell, New Mexico.

Q What is your occupation?

A I am an independent geologist.

Q Have you previously testified before this Commission and had your qualifications accepted and made a part of the record?

A Yes, sir, I have.

MR. LOSEE: Are Mr. Gross' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. LOSEE:

Q Would you please state what is the purpose of this Application?

A To seek a non-standard proration unit to drill an Ellenburger test in Section 31 of 24, 37.

Q And also to approve the unorthodox location of that proposed gas well?

A Yes, sir.

Q Would you please refer to what has been marked as Exhibit No. 1, being the location plat prepared by John West and explain what is shown on this plat?

A This is a surveyor's plat made up by John West showing the acreage that we have under farm-out from City Service, Scope and Skelly.

Q Now, that acreage consists of the northwest quarter of Section 31, the east half, southwest quarter of Section 31 in Township 24 South, Range 37 East, and Lots 2 and 3 in Section 6, Township 25 South, Range 37 East, is that correct?

A That's right, yes, sir.

Q Comprising 316.9 acres?

A .09 acres.

Q .09 acres?

A Yes, sir.

Q That also shows the location of the proposed well, does it not?

A Yes, it does. It shows the proposed well to be 660 from the south line, 1590 from the west line of Section 31 which is 332 feet from the lease line.

Q Now, a standard 320 acre proration unit consisting of the west half of Section 31 would include the west half of the southwest quarter, would it not?

A Yes, it would.

Q How far from the boundary line of the west half of southwest is the present location or proposed location of this well?

A 1590 from the Section line.

Q I mean from the east line of the west half of the southwest quarter?

A 988 from the east line of the west half of Section 31.

Q It is 330 feet, though, from from the --

A (Interrupting) From the west line, yes, from our west lease line.

Q Who owns the west half, southwest quarter of Section 31?

A Texaco is the record owner, however, this 80 acres is included in a working interest unit which is held by the Shell well in Section 36 of 24, 36.

Q Shell is the operator of that unit?

A Shell is the operator of the unit, yes, sir, and Texaco is participating in the unit by virtue of this 80-acre tract.

Q Did Mr. Trainer request a farm-out of Shell of this 80-acre tract?

A Yes, he did, in July of this year, he requested a farm-out from Shell and was rejected.

Q Would you briefly explain the history of the development of the Custer-Ellenburger Pool?

A Yes. Shell made the discovery in June of 1960.

They have been producing gas from this well in the Ellenburger formation since that time. In May of '65, Continental drilled a one mile south offset to this producer which resulted in a dry hole. In '67 or '68, Apache drilled a northeast diagonal offset, quitting in the Devonian because they was 300 feet low to the Shell well on top of the Devonian.

Q So that actually, there has been one producing well in this pool drilled and one dry hole and one didn't reach the Ellenburger?

A That is right, sir.

Q Please refer to what has been marked as Exhibit 2 and in the beginning, point out the location of these wells and what else is portrayed by this Exhibit?

A This Exhibit 2 is a Sub-surface map, contoured on the Devonian, showing the Devonian truncations with the east half of the map contoured on the top of the Ellenburger. In our area, in Section 25, the southeast quarter, is the Apache well which is circled in red.

Q The southeast quarter of Section 25?

A 25, yes.

MR. NUTTER: That didn't go in the Ellenburger?

THE WITNESS: That stopped in the Devonian,

300 feet low in the Devonian. The Shell well is in the northwest of 36, circled in red. Down in Section 1 in the northeast quarter, Continental drilled an Ellenburger test which has been plugged back and is now a Yates gas producer.

MR. NUTTER: This Black well in the northeast?

BY MR. LOSEE:

Q That is the northwest, isn't it?

A Northwest, yes, sir, I am sorry.

MR. NUTTER: The one that is circled?

THE WITNESS: Yes, sir, northeast of the northwest.

MR. NUTTER: So, it was dry in the Devonian but it shows it as a gas well because it is producing from the Yates?

THE WITNESS: From the Yates, yes. It was dry in the Ellenburger.

MR. NUTTER: In the Ellenburger, I am sorry.

THE WITNESS: Also the Devonian. But it was 400 feet low in the Devonian and 300 feet low in the Ellenburger and it did get water in the Ellenburger, from D.S.T.

MR. NUTTER: So there is only one Ellenburger

well there?

THE WITNESS: One producer, yes.

MR. NUTTER: An old Shell well that has been producing since 1958?

THE WITNESS: Yes, sir.

BY MR. LOSEE:

Q Why did you contour this map on two formations, the Ellenburger and the Devonian?

A Primarily, the Yates contour map is because of your control. In our area there is only three deep control points and your Yates will reflect your deeper structures and your deeper trends as evidenced on the Jal-Langley-Maddox -- the Jal trend over here.

Q Well, actually, as far as the area of interest, you have very little control in the Ellenburger except these three wells, or no control?

A Yes, very little in the Ellenburger. I would only have two Ellenburger points and I have three Devonian points.

Q And in the field that lies to the southeast, is that a Devonian field?

A It is a Crosby-Devonian field. It is an old Devonian gas field. It is almost depleted now, but it

has been a real economically visible field.

Q Now, let me ask you this: The trend of these deeper structures that you do have control points, which direction does it run?

A The trend runs north northwest, well, northwest southeast actually is the deep Devonian trends as reflected on your Yates map.

Q Do you think your proposed location as shown by your map is up-dip?

A Yes, there is a structure apparent in the area as reflected by the shallow high and also reflected by the deep sub-surface map.

Q Now, the shallow that you keep referring to is on your Yates contour, your next exhibit, is that correct?

A Yes.

Q Before we turn to that, do you believe the Continental well that had water in the Ellenburger was in the same reservoir as the Shell well was which has been producing gas?

A We have made a study of pressures in the area and this we do believe to be true. The bottom-hole pressure in the Shell well from a drillstem test was

5683 when the well was drilled in '58. Continental came in in '65 and drilled their well, tested the Ellenburger formation and their bottom-hole pressure was 4250 which is about 1127 pound drop -- I've got the wrong number here -- 4556 which is 1127 pound drop. Now, taking the shut-in tubing pressure from the Shell well, when it was completed, was 4250, and at the time that Continental took their D.S.T. the shut-in tubing pressure in the Shell well had declined to 3157 which is a 1093 drop. So, from those two pressure correlations, we feel that the Continental well was in the Shell reservoir, however, it was too low structurally to produce. It produced water.

Q At that point in time, how much gas had been taken out of the Shell well?

A 4,750,000 cubic feet -- no, 4,000,750,000 feet, or 4 and 3/4 billion.

Q Turn to your Exhibit 3 and explain what is shown by this exhibit?

A This is a structure map on the Yates, which has more control than the Devonian map because of the density of wells. It will show your northwest southeast trending structures that does coincide with your

deep structures.

Q Now, let me ask you this: The three highs over on the east side of the map on the Yates, do they correlate pretty generally to the three deep highs shown on your Ellenburger structure?

A Yes, to a certain extent, a very close degree the Yates high is synonymous with your deeper structures.

Q Also the high on the Yates map in the central portion of it, does that correlate pretty well or correspond with the high in the Devonian and the Crosby-Devonian field?

A Yes, in the Crosby-Devonian it will and we have a Yates high in the vicinity of our unit, in the vicinity of Shell which we believe is representative of a deep structure in that area.

Q Refer to what has been marked Exhibit 4, being a tabulation of production from the Shell well and just briefly read for the record the cumulative gas and oil?

A This is a cumulative tabulation by year from 1960, the first year the well produced, through '70 and by month during the year of '71. To date, the well has cumulatively produced 51,185 barrels of distillate

and 35,265 barrels of water and 9,000,863,404 cubic feet of gas.

Q Isn't it 9,863,404 M.C.F.?

A 9 Billion.

MR. NUTTER: M.C.F.?

BY MR. LOSEE:

Q That is what your table is in, M.C.F.?

A Yes.

Q It has been a pretty profitable well, hasn't it?

A Yes, it has, thus far.

Q Would you refer to what has been marked as Exhibit 5 and explain what is shown by this?

A This is a reserve curve or well performance curve on the Shell well, taking the shut-in tubing pressures by years and projecting them into the cumulative gas figures which shows that there is around 21 to 22 billion cubic feet of gas in the reservoir when the well was discovered. They have taken 9.8 billion out thus far which we feel like economically will leave approximately 10 to 11 billion left in the reservoir, that is, giving a 500 pound abandoning pressure on the thing which is line pressure.

Q Now, Mr. Gross, you earlier mentioned a working

interest unit in which the west half, southwest quarter of Section 31 was participating as the unit that operates the Shell well. Would you explain what you understand to be the facts in connection with that working interest unit?

A Yes, sir. This is a working interest unit where the operator is participating in the Shell well by virtue of this 80 acres, however, the royalty owners are not. It isn't a State approved unit or anything. It is just a working unit agreement. The only participation in the well mineral-wise or royalty-wise is the dedicated acreage to the well which is the north half of Section 36.

Q But, actually, from your understanding, there is approximately a four-section unit in which the working interest owners all drilled this well and they all participate in production from it?

A This is right. Shell is the operator and it is our understanding that they own 40 per cent of the unit with nine other owners participating in the well.

Q So that actually, the working interest owners of the west half of southwest quarter of Section 31 by virtue of that acreage being in the unit, the working

interest is participating in the production from that well?

A This is right, but the royalty owners are not.

Q Assuming that the one well that has now been drilled would drain this whole reservoir, is there any reason for the owners of the west half of the southwest quarter to farm out the acreage so another well can be drilled?

A No, I would not think there would be any incentive to farm out as long as they can get the gas with this one well.

Q But that doesn't mean that the correlative rights of the royalty override and working interest owners in other portions of the pool other than the north half of 36, correlative rights would not be harmed by that situation?

A Yes, sir, it is. They would be harmed. They are being harmed and have been for the past 10 years or 11 years. They are being drained and they are not receiving any revenue from that well.

Q Do you feel like the Shell well is draining the proposed non-standard gas spacing unit that you have asked for permission to dedicate to this well?

A Yes, sir, very definitely.

Q Why has Mr. Trainer not moved to force pool the west half of the southwest quarter?

A Well, sir, it would be difficult if not impossible to put a deal together to drill a well costing in the neighborhood of \$220,000. to \$250,000. and carry anyone for a quarter interest even with 150 per cent backing because there is not that much gas left in the reservoir.

Q Do you have an opinion, Mr. Gross, as to whether a well located at the proposed location, 660 from the south and 1590 from the west line of Section 31 will efficiently and economically drain the proposed 316 acre non-standard unit?

A Yes, it would, in my opinion.

Q Did you prepare Exhibits 1 through 5 or were they prepared under your direction?

A Under my direction. Well, I prepared them all except Exhibit 1.

Q And it was prepared under your direction?

A Yes, by John West.

MR. LOSEE: We move the introduction of Exhibits 1 through 5.

MR. NUTTER: Applicant's Exhibits 1 through 5

will be admitted in evidence.

(Whereupon, Applicant's Exhibits
1 through 5 were offered and
admitted in evidence.)

MR. LOSEE: Let me at this point ask the
Commission if you would not consider a letter which
Shell filed with the Commission in connection with the
Application for administrative approval of a 240-acre
location or 240-acre non-standard unit in which Shell
advised that they had no objection to the well location
if it were 330 feet from their line, from the west half
southwest of Section 31? We would ask that you take
notice.

MR. NUTTER: Yes, we will take notice.

MR. LOSEE: I have no further questions.

MR. HATCH: I would suggest that the Commission
take notice of all correspondence concerning the original
application as well as that letter.

MR. NUTTER: We will take administrative notice
of the entire contents of this file.

Is that all you had, Mr. Losee?

MR. LOSEE: Yes, sir.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Gross, in noticing the production here from the Shell well over the years on your Exhibit No. 4, to what do you attribute the fluctuation in take from the well? I see in the years 1964 and '65 the takes were triple what they were in the adjoining years. Now, the takes in 1971, have been double what they were in 1970. Is this a reflection of market demand or the ability of the well to produce or what?

A This is the ability of the pipeline. It is the market demand, directly.

Q It is still the reflection of market demand?

A Yes, sir, because the well was potentialized for 61 million and it will produce. In fact, in the last two months it has produced 250 million as you will notice here, and the well is capable of producing large amounts. It will produce, but the market demand is what makes the fluctuation of production so great in that area

Q Then, from your pressure decline curve, it would indicate just almost half of the original reserves have been produced with a little more than half of the original reserves still in the reservoir?

A This is right, sir, which would give Mr. Trainer,

should he drill the well with Shell would give him about 5 billion cubic feet.

Q Now, the Shell well is a State lease, is this correct?

A Yes, sir.

Q What type of land is this acreage that you have here proposed to be dedicated?

A It is fee land, private ownership.

Q Is it all one owner or has it been communitized?

A No, sir. I don't know how many owners.

Mr. Losee may have the answer to that. There are several mineral owners, I do know, in the area.

MR. NUTTER: You do have the working ownership under the entire acreage, Mr. Trainer?

MR. TRAINER: Yes, I do. There are two leases, Dan. The northwest quarter is one tract.

MR. NUTTER: That is the Moore lease apparently.

MR. TRAINER: Then this Shell lease coming out of Skelly is a different bunch of people. There are about 40 or 50 mineral owners under the northwest quarter and I believe, I guess, 25.

MR. NUTTER: In other words, all of the acreage in Section 6 that you propose to dedicate and the east

half of the southwest of 31, that comprises one lease?

MR. TRAINER: Yes, sir.

MR. NUTTER: And then the northwest quarter of Section 31 is another lease?

MR. TRAINER: Another lease.

MR. NUTTER: And the two leases will be communitized?

MR. TRAINER: Yes.

MR. NUTTER: As far as working interest, royalty interest and overriding royalty.

THE WITNESS: Yes. They all participate or we propose it. Excuse me for interrupting.

MR. NUTTER: Are there any further questions?

MR. HATCH: Who is the royalty owner in the west half of the southwest quarter of 31?

MR. LOSEE: The United States.

(Whereupon, a discussion was held off the record.)

MR. NUTTER: Are there any further questions of Mr. Gross?

You may be excused.

(Witness dismissed.)

MR. NUTTER: Do you have anything further,

Mr. Losee?

MR. LOSEE: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4630?

We will take the case under advisement.

STATE OF NEW MEXICO)
) SS.
 COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby
 certify that the foregoing and attached Transcript of
 Hearing before the New Mexico Oil Conservation
 Commission was reported by me, and the same is a true
 and correct record of the said proceedings, to the
 best of my knowledge, skill and ability.

Richard L. Nye
 COURT REPORTER

My commission expires March 25, 1975.

I do hereby certify that the foregoing is
 a true and correct record of the proceedings on
 the hearing or hearing of Case No. 4630
 held by me on 12/1/74 13/74.
Richard L. Nye, Reporter
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

December 10, 1971

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Re: Case No. 4630
Order No. R-4231
Applicant:
C. W. Trainer

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other Mr. A. J. Mason, El Paso Natural Gas Co., Midland, Texas

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. 4630
Order No. R-4231

APPLICATION OF C. W. TRAINER
FOR A NON-STANDARD GAS UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 1, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of December, 1971, 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, C. W. Trainer, seeks approval of a 316.09-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled 660 feet from the South line and 1590 feet from the West line of said Section 31.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Custer-Ellenburger Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

-2-

CASE NO. 4630

Order No. R-4231

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Custer-Ellenburger Gas Pool, will 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, and will otherwise prevent waste and protect correlative rights.

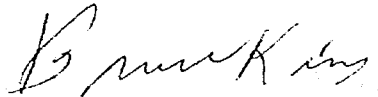
IT IS THEREFORE ORDERED:

(1) That a 316.09-acre non-standard gas proration unit in the Custer-Ellenburger Gas Pool comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled 660 feet from the South line and 1590 feet from the West line of said Section 31.

(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



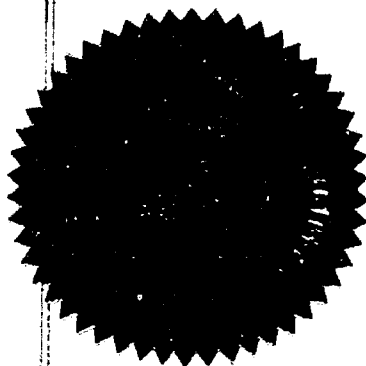
BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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



S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 1, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner,
or Elvis A. Utz, Alternate Examiner:

CASE 4629: Application of El Paso Natural Gas Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Rocky Arroyo Well No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, in such a manner as to permit the production of gas from an undesignated Morrow gas pool through tubing and an undesignated Wolfcamp gas pool through the casing-tubing annulus.

CASE 4630: Application of C. W. Trainer for a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seek approval of a 316.15-acre non-standard gas spacing unit comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, Custer-Ellenburger Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 1590 feet from the West line of said Section 31.

CASE 4631: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Learcy McBuffington Well No. 7 located in Unit M of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Tubb-Drinkard Oil Pool and gas from the Justis-Glorieta Gas Pool through parallel strings of tubing.

CASE 4632: Application of Mobil Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate the W/2 of Section 14, Township 17 South, Range 34 East, to its Bridges State Well No. 133, situate at an unorthodox location for said unit in the North Vacuum-Morrow Gas Pool, Lea County, New Mexico.

CASE 4563: Continued from the November 10, 1971, Examiner Hearing

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4619: Continued from the November 10, 1971, Examiner Hearing

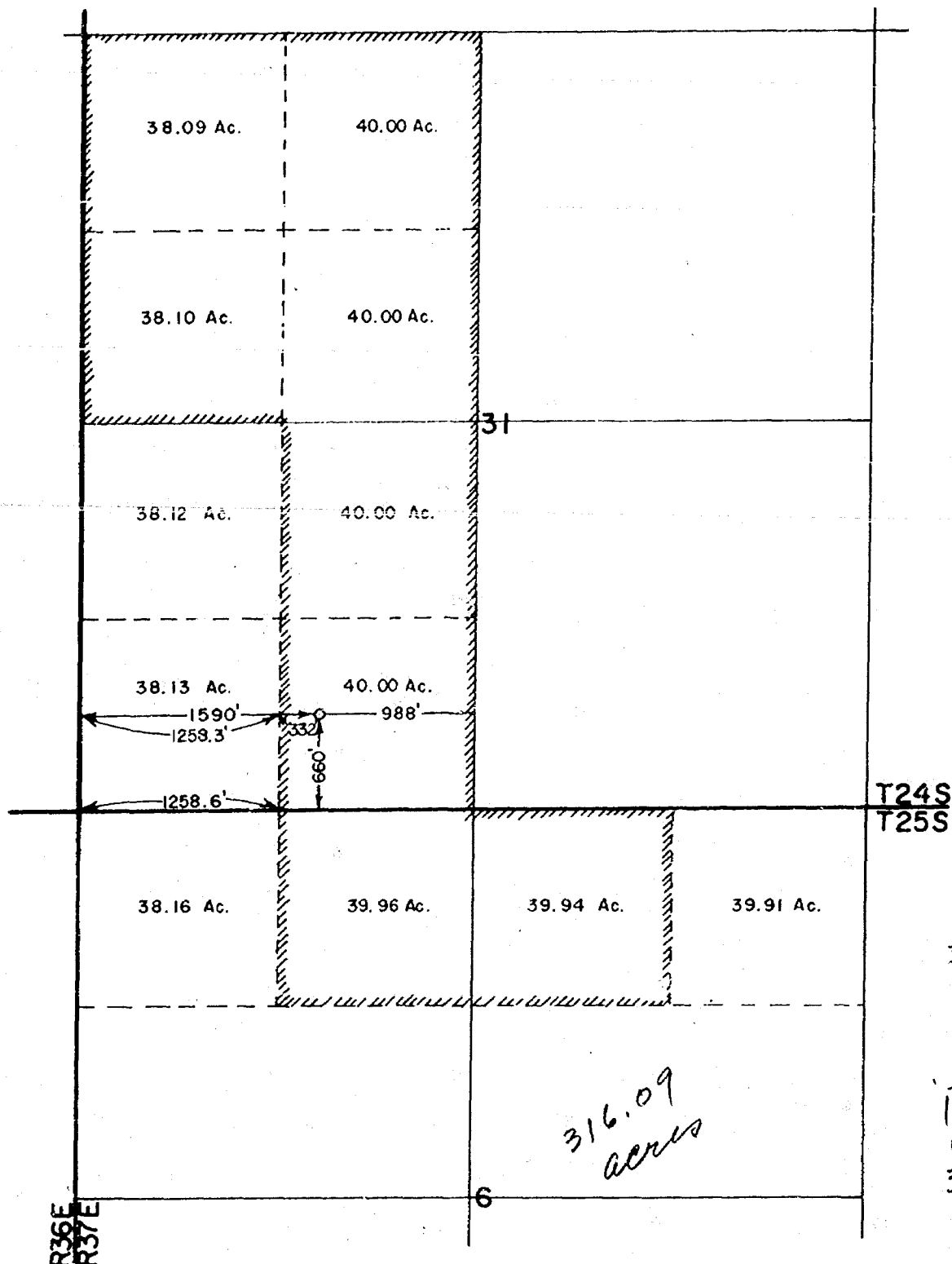
Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges of supervision of said well.

CASE 4620: Continued from the November 10, 1971, Examiner Hearing

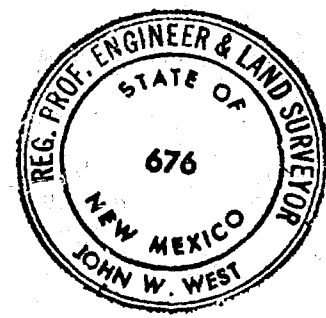
Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which

(Case 4620 continued)

acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.



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 3994
 3996
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 3810
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 316.09



BEFORE EXAMINER NOTED
 OIL CONSERVATION
 Appl. No. 1
 4630

I HEREBY CERTIFY THAT THIS PLAT WAS
 MADE FROM NOTES TAKEN IN THE FIELD IN
 A BONA FIDE SURVEY MADE UNDER MY SUPER-
 VISION, AND THAT THE SAME IS TRUE AND
 CORRECT TO THE BEST OF MY KNOWLEDGE
 AND BELIEF.

John W. West
 JOHN W. WEST, N.M. P.E. & L.S. NO. 676
 TEXAS R.P.S. NO. 1138

C.W. TRAINER	
PLAT SHOWING ACERAGE FOR NON-STANDARD GAS UNIT FOR SHERRELL No. 1 TO BE USED IN CASE No. 4630 DECEMBER 1, 1971, NEW MEXICO OIL CONSERVATION COMMISSION JOHN W. WEST ENGINEERING COMPANY CONSULTING ENGINEERS HOBBS, NEW MEXICO	
Scale 1"=1000'	Drawn by M.C.T.
Date NOVEMBER 29, 1971	Sheet 1 of 1 Sheets

CUSTER ELLENBURGER GAS POOL PRODUCTION
Shell Oil Company #1-36 State "B"

<u>DATE</u>	<u>OIL-BBLS.</u>	<u>WTR. BBLS</u>	<u>GAS-MCF</u>
Cumulative			
thru 1960	2400	0	382,486
1961	2862	0	459,676
1962	1892	0	317,120
1963	4379	0	695,770
1964	10919	0	1,807,787
1965	8157	0	1,601,190
1966	3547	0	658,758
1967	2966	0	633,960
1968	2465	1894	554,011
1969	3632	11857	850,843
1970	<u>2707</u>	<u>7074</u>	<u>637,425</u>
Cumulative	45,926	20,825	8,599,026
1971			
J.	189	591	60,291
F.	459	989	95,075
M.	586	1495	152,529
A.	778	1701	171,786
M.	220	458	46,277
J.	262	555	56,015
J.	682	1657	167,391
A.	1156	2747	259,174
S.	<u>963</u>	<u>4247</u>	<u>255,840</u>
1971 TOTAL	5,259	14,440	1,264,378
Cumulative	51,185	35,265	9,863,404

BEFORE EXAMINER NUTTER

CP CONVENTION

DATE 12/1/71 PAGE 4

CASE NO. 4630

EXHIBIT _____

Case # 4630

December 1, 1971

EXHIBIT _____

Case # 4630

December 1, 1971

4500

4000

3500

3000

2500

2000

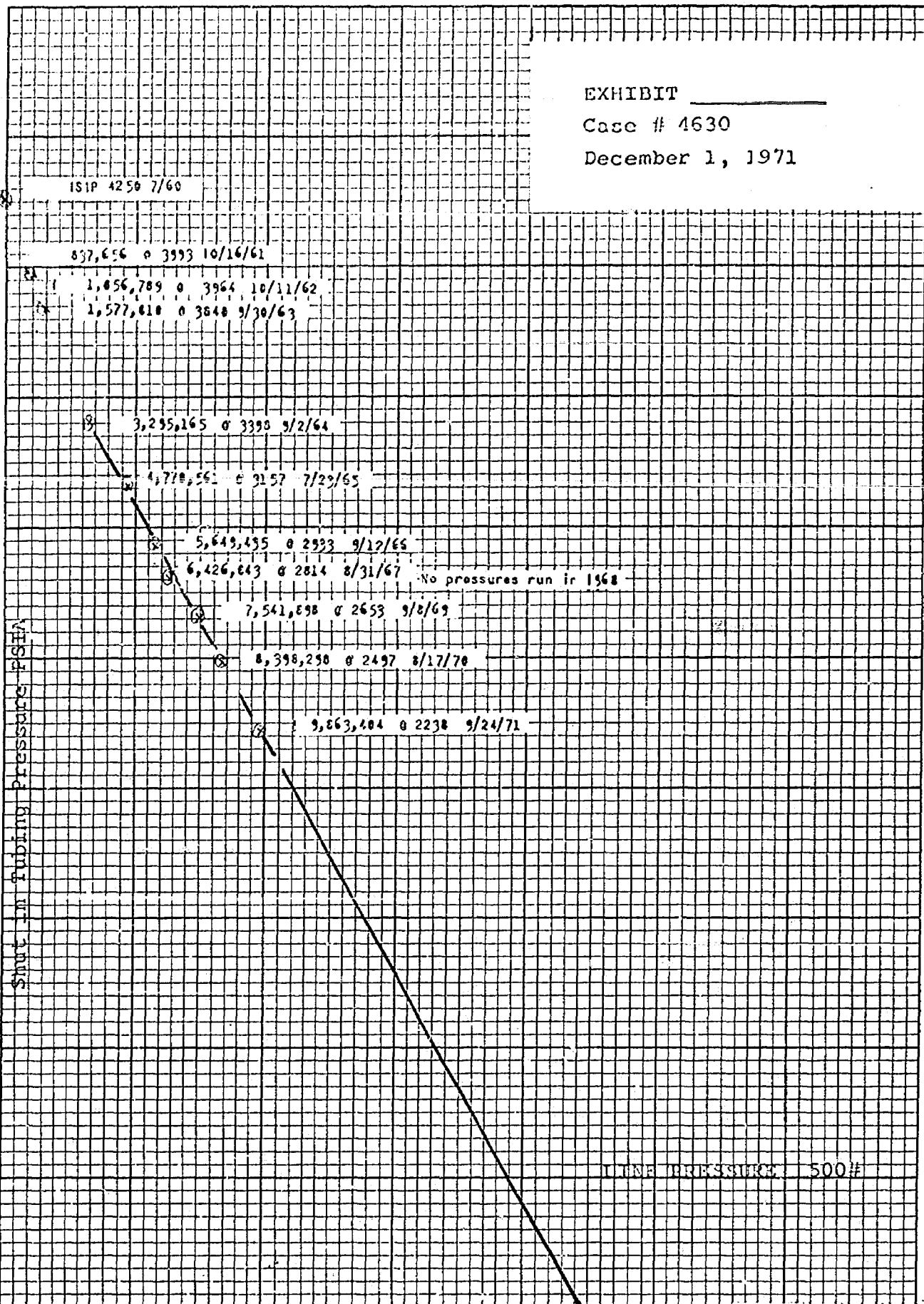
1500

1000

500

K-E 10 X 10 TO THE INCH 46 0703
7 X 10 INCHES
MADE IN U.S.A.
NUTTER & ESSER CO.

Shut in tubing pressure, PSIA



LINE PRESSURE 500#

0 5 10 15 20 25
CUMULATIVE GAS RECOVERY MMCF

MARVIN C. GROSS
P. O. BOX 358 PH. 623-3539
ROSWELL, NEW MEXICO 88201

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 4630

CUSTER ELLENBURGER GAS POOL PRODUCTION
Shell Oil Company #1-36 State "B"

<u>DATE</u>	<u>OIL-BBLS.</u>	<u>WTR. BBLS</u>	<u>GAS-MCF</u>
Cumulative			
thru 1960	2400	0	382,486
1961	2862	0	459,676
1962	1892	0	317,120
1963	4379	0	695,770
1964	10919	0	1,807,787
1965	8157	0	1,601,190
1966	3547	0	658,758
1967	2966	0	633,960
1968	2465	1894	554,011
1969	3632	11857	850,843
1970	<u>2707</u>	<u>7074</u>	<u>637,425</u>
Cumulative	45,926	20,825	8,599,026
1971			
J.	189	591	60,291
F.	459	989	95,075
M.	586	1495	152,529
A.	778	1701	171,786
M.	220	458	46,277
J.	262	555	56,015
J.	682	1657	167,391
A.	1156	2747	259,174
S.	<u>963</u>	<u>4247</u>	<u>255,840</u>
1971 TOTAL	5,259	14,440	1,264,378
Cumulative	51,185	35,265	9,863,404

EXHIBIT _____
Case # 4630
December 1, 1971

Mr. Hatch,
Mr. C. W. Trainer
requested we put
the additional
information on
the plot so you
could see the
1590' was sufficient
distance from
the unit line.

Thank you
John West

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
OCT 25 1971

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

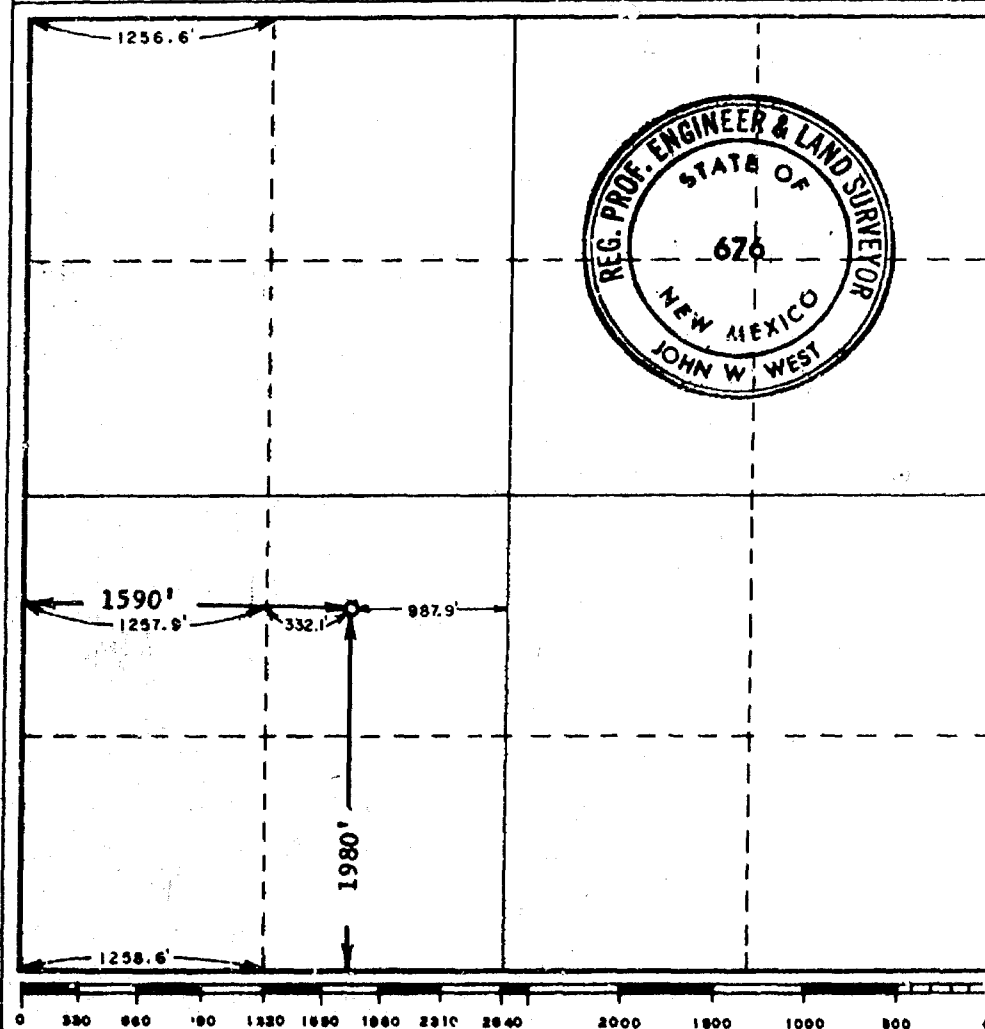
Operator C. W. TRAINER		Lease SHERBELL		Well No. 535	
Unit Letter K	Section 31	Township 24 SOUTH	Range 37 EAST	County LFA	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1590 feet from the WEST line					
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage: Acres		

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 _____

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 _____
Position _____
Company _____
Date _____

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
10-15-1971
Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. **676**



Union Texas Petroleum Division

ALLIED CHEMICAL CORPORATION

1300 WILCO BUILDING • MIDLAND, TEXAS 79701

915, 682-0515

*Am
file in one!*

RECEIVED

OCT 20 1971

OIL CONSERVATION COMM.
SANTA FE

October 19, 1971

VED
OCT 20 1971
OIL CONSERVATION COMM.
SANTA FE

Chas 4630

Mr. A.L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico - 87501

RE: Application for administrative
approval - Langlie-Jal Unit
Lea County, New Mexico

Gentlemen:

Union Texas Petroleum, as operator of the Langlie-Jal Unit,
has no objection to C.W. Trainer's drilling a non-standard, 240-
acre gas unit in the Custer Ellenburger Field in Lea County, New
Mexico.

Very truly yours,

UNION TEXAS PETROLEUM CORP.

R. L. Stover

R. L. Stover
District Production Manager

RLS:hr

cc: C. W. Trainer

DOCKET NUMBER

Date 11-18-71

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 10, 1971

Case 4630

C
O
P
Y

Mr. Jack L. Mahaffey
Shell Oil Company
Petroleum Building
Post Office Box 1509
Midland, Texas 79701

DOCKET MAILED

Date 11-18-71

Re: Application for administrative approval for a
non-standard proration unit and unorthodox
location, Custer-Ellenburger Gas Pool, Lea
County, New Mexico.

Dear Mr. Mahaffey:

The above-described application for administrative approval has
been withdrawn and the enclosed application for a different non-
standard proration unit has been received by the Commission, which
will be set for hearing on December 1, 1971.

Very truly yours,

GEORGE M. HATCH
Attorney

Enclosure

GMH/ir



SHELL OIL COMPANY RECEIVED

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

OCT 21 1971
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE

October 27, 1971

Subject: Unorthodox Location
Custer Ellenburger Field
Lea County, New Mexico

Case 4630

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2038
Santa Fe, NM 87501

Gentlemen:

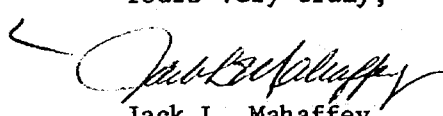
In regard to Mr. C. W. Trainer's request of October 15, 1971 to drill a well 1590' FWL and 1980' FSL of Section 31, T-24-S, R-37-E, Shell's letter of October 22, 1971 was intended as a "mild protest". It appeared to us that the location was only 270' from Shell, et al. lease line (the W/2 SW/4 Sec. 31 is part of Shell's lease). However, telephone conversation between your Mr. Hatch and Shell's Mr. Mahaffey revealed that the location is 330' from the lease line.

Although we believe that Mr. Trainer could locate his proposed well further south to clear the existing shallow well and stay 660' from the lease line, we do not wish to object further.

This is a waiver for Mr. Trainer to drill his well 330' from the east line of the W/2 SW/4 and 1980' from the south line Sec. 31, T-24-S, R-37-E.

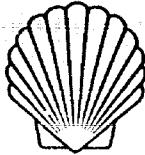
Our letter of October 22, 1971 did not object to Mr. Trainer's 240-acre gas unit.

Yours very truly,


Jack L. Mahaffey
Manager Production
Mid-Continent Division

RMC:RH

cc - Mr. C. W. Trainer
Route 10, Box 17-G No. 25
Austin, TX 78703



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

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OCT 25 1971

OIL CONSERVATION COMMISSION
SANTA FE

October 22, 1971

Subject: Application for Administrative Approval,
Without Notice and Hearing, for a Non-
Standard, 24-Acre Gas Unit in the Custer
Ellenburger Field - NW/4 and E/2 SW/4
Sec. 31-24S-37E, Lea County, New Mexico

Case 4630

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Sante Fe, New Mexico 87501

Dear Mr. Porter:

In Shell Oil Company's opinion, the subject request should be denied.

- 1) The subject location of 1980' FSL and 1590' FWL is actually only 270' from the west line on the Sherrell lease.
- 2) A suitable location 660' from the west line of the Sherrell lease should be available.

Shell has no objection to the proposed 240-acre gas unit, provided the allowable is calculated according to 104 II-I, which states in part:

"The top allowable for such wells shall be decreased or increased in the proportion that the number of acres in the drilling tract bears to a standard unit for the pool."

Yours very truly,

H. J. Conrad
701 Jack L. Mahaffey
Production Manager
Mid-Continent Division

JES:GMF

cc - C. W. Trainer
Route 10, Box 17-G No. 25
Austin, Texas 78703

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 18, 1971

Case 4630

C
O
P
Y

Mr. C. W. Trainer
Route 10, Box 17-G, No. 25
Austin, Texas 78703

DOCKET MAILED

Date 11-18-71

Re: Application for administrative
approval for non-standard
proration unit and unorthodox
location, Custer-Ellenburger
Gas Pool, Lea County, New
Mexico.

Dear Mr. Trainer:

As the location of the well for the proposed
unit is closer than 330 feet to a governmental
quarter-quarter section line and is not based
upon topographical conditions or the recompletion
of a well previously drilled to another horizon,
the subject application cannot be granted ad-
ministratively. The matter will be set for
hearing before an examiner on November 10, 1971.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/dr

YBS

TERRA RESOURCES, INC.

November 3, 1971

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NOV 5 1971

OIL CONSERVATION COMM.
SANTA FE

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 4630

Attention: Mr. A. L. Porter, Jr.

Re: Non-Standard Unit
Custer-Ellenburger Field
Lea County, New Mexico

Gentlemen:

We refer to Mr. C. W. Trainer's application for administrative approval for a non-standard, 240-acre gas unit covering the NW/4 and the E/2 SW/4 of Section 31, T. 24 S., R. 37 E., N.M.P.M. in the Custer-Ellenburger Field, Lea County, New Mexico.

Terra Resources, Inc. does not object to this non-standard 240 acre gas unit, as proposed by Mr. C. W. Trainer.

Very truly yours,

Michael O. Franzen
Michael O. Franzen
Land Department

MOF:ks

cc: Mr. C. W. Trainer
Route 10, Box 17-G, No. 25
Austin, Texas 78703

DOCKET MAILED

TERRA RESOURCES, INC. / SUITE 900, SECURITY LIFE BLDG. / DENVER, COLORADO 80202
DISTRICT EXPLORATION OFFICE - PHONE (303) 222-3671

Date 11-18-71

GMA - not eligible for administrative approval as the location is not standard and location not caused by topography or reconstruction

C. W. TRAINER
Route 10, Box 17-G, No. 25
Austin, Texas 78703

October 15, 1971

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OCT 18 1971

OIL CONSERVATION COMM.
SANTA FE

NSP 848 is eligible as well as will be at a std. location since 11-17-71

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 463.8

Re: Application for administrative approval, without notice and hearing, for a non-standard, 240-acre gas unit in the Custer Ellenburger field - NW/4 and E/2 SW/4 Sec 31-24S-37E - Lea County, New Mexico

Dear Mr. Porter:

This application is submitted according to your Rules 104-C-II and 104-D-II. It is necessary because we have been unable to make a deal to include the W/2 SW/4 to complete the standard unit.

The location requested is about as close to the shallow oil well of Union Texas as we can get and it is more than 330' from our ~~west~~ ^{quarter} lease line.

All operators of offset leases, mailing list enclosed, are being notified of this application by registered mail today.

Yours very truly,

CW Trainer
C. W. TRAINER

CWT/jw
Encls.

DOCKET MAILED

Date 11-18-71

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Case 4630

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OCT 18 1971
Form C-101
Revised 1-1-65
NEW MEXICO OIL CONSERVATION COMMISSION

5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator
C. W. TRAINER

3. Address of Operator
Rt. 10, Box 17-G, #25 - Austin, Texas 78703

4. Location of Well
UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE
AND 1590 FEET FROM THE West LINE OF SEC. 31 TWP. 24-S RGE. 37-E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Sherrell

9. Well No.
1

10. Field and Pool, or Wildcat
Custer Ellenburger

12. County
Lea

19. Proposed Depth
13,000'

19A. Formation
Ellenburger

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DP, RT, etc.)

21A. Kind & Status Plug. Bond
Blanket-current

21B. Drilling Contractor
Moran (probably)

22. Approx. Date Work will start
12/15/71

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TCP
15"	11 3/4"	42#	700	700	Circ
11"	8 5/8"	24# & 32#	4100	400	3000
7 1/2"	6 1/2"	11.6#	13000'	1000	8000'

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.

Signed *CW Trainer* Title Owner-Operator Date 10/15/71
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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OCT 18 1971

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

All distances must be from the outer boundaries of the Section OIL CONSERVATION COMMISSION

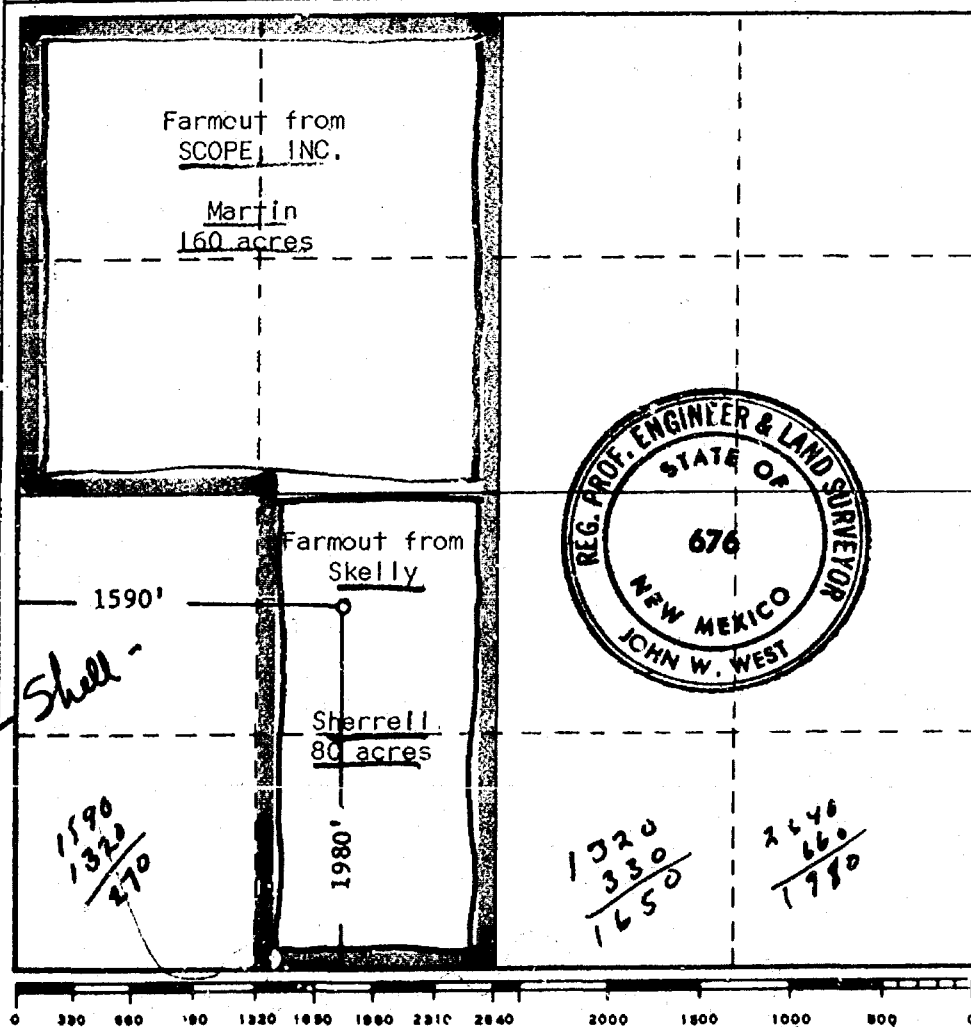
Operator C. W. TRAINER		Lease SHERRELL		Well No. 1
Unit Letter K	Section 31	Township 24 SOUTH	Range 37 EAST	County LEA
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1590 feet from the WEST line				
Ground Level Elev.	Producing Formation Ellenburger	Pool Custer	Dedicated Acreage: 240 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 _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) Skelly and SCOPE have agreed to communitize

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.

C. W. Trainer

Name
C. W. Trainer

Position
Owner-Operator

Company
C. W. TRAINER

Date
10-15-71

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
10-15-1971

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **676**

A. J. LOSEE
JOEL M. CARSON

LAW OFFICES
LOSEE & CARSON
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

9 November 1971

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NOV 10 1971

OIL CONSERVATION COMM.
SANTA FE

Case 4.630

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location and
Non-standard Proration Unit, Custer
Ellenburger Pool, Lea County, New Mexico

Dear Mr. Porter:

Enclosed herewith, you will please find three copies of the
subject application.

We ask that you set this matter for hearing before an examiner
in Santa Fe at the earliest possible date.

Very truly yours,

LOSEE & CARSON

A. J. Losee
A. J. Losee

AJL:jw
Enclosures

cc w/encl.: Mr. C. W. Trainer
cc w/encl.: Mr. Marvin C. Gross

DOCKET MADE

Date 11-18-71

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NOV 10 1971

OIL CONSERVATION COMMISSION
SANTA FE

BEFORE THE OIL CONSERVATION COMMISSION

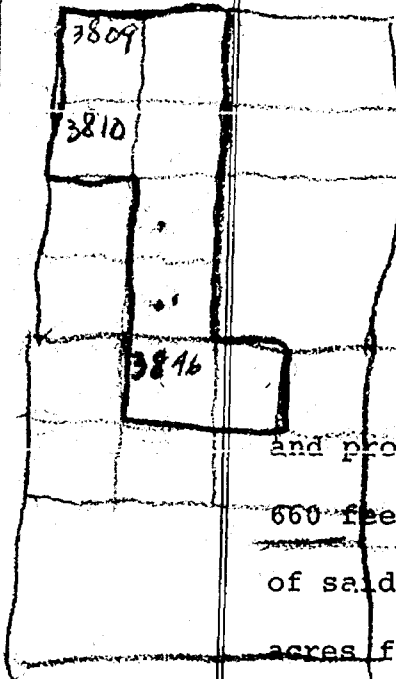
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
C. W. TRAINER FOR A NON-STANDARD GAS :
WELL LOCATION AND NON-STANDARD GAS : Case No. 4630
PRORATION UNIT, CUSTER-ELLENBURGER :
GAS POOL, LEA COUNTY, NEW MEXICO. :
:

APPLICATION

COMES C. W. TRAINER, by his attorney, and in support
hereof, respectfully states:

1. That applicant is the operator of the Ellengurger
formation underlying the following lands in Lea County, New
Mexico, to-wit:



Township 24 South, Range 37 East, N.M.P.M.

Section 31: Lots 1 and 2 (W/2 NW/4), E/2 W/2
containing 236.19 acres, more or less;

Township 25 South, Range 37 East, N.M.P.M.

Section 6: Lots 2 and 3 (NW/4 NE/4, NE/4 NW/4)
containing 79.96 acres, more or less;

and proposes to drill a well to said formation at a location
660 feet from the South line and 1,590 feet from the West line
of said Section 31, and to dedicate the above described 316.15
acres for said well.

2. Applicant seeks an exception to Rule 104 of the
Oil Conservation Commission of New Mexico (the "Commission")
to permit the drilling of the proposed well to test the Ellen-
burger formation at the said unorthodox location and to dedicate
said above described land as the gas proration unit for the well.

40
4
160
3809
3810
23617

3896
2
792

3. The unorthodox shape of the proposed non-standard gas proration unit is due to the configuration of the leases held by applicant.

4. The non-standard gas proration unit comprising the above described lands can be efficiently and economically drained by a well location 660 feet from the South line and 1,590 feet from the West line of said Section 31.

5. The approval of this application will afford applicant the opportunity to produce his just and equitable share of gas in the Custer-Ellenburger Pool and will prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Commission enter its order granting to applicant authority to drill the proposed well to the Ellenburger formation at a non-standard location 660 feet from the South line and 1,590 feet from the West line of said Section 31, and establishing Lots 1 and 2, E/2 W/2, Section 31, Township 24 South, Range 37 East, and Lots 2 and 3, Section 6, Township 25 South, Range 37 East, N.M.P.M., as a non-standard gas proration unit for said well.

C. And for such other relief as may be just in the premises.

C. W. TRAINER

By: 

Losee & Carson
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

GMH/dr

(A.C.)

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:

APPLICATION OF C. W. TRAINER
FOR A NON-STANDARD GAS UNIT,
LEA COUNTY, NEW MEXICO.

CASE No. 4630

Order No. R-4231

12-3-71

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 1, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of December, 1971, 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, C. W. Trainer, seeks approval of
a 316.⁰⁹~~15~~-acre non-standard gas spacing unit comprising Lots 1
and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37
East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37
East, to be dedicated to a well to be drilled 660 feet from the
South line and 1590 feet from the West line of said Section 31.

-2-
CASE NO. 4630
Order No. R-

may reasonably be presumed

(3) That the entire non-standard proration unit ~~is~~ productive of gas from the Custer-Ellenburger Gas Pool and that the entire non-standard ~~pr~~ proration unit can be efficiently and economically drained and developed by ~~said~~ *the aforesaid* well.

(4) That approval of the subject application will afford the applicant the opportunity to produce ~~its~~ *his* just and equitable share of the gas in the Custer-Ellenburger Gas Pool, will 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, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 316.⁰⁹~~15~~-acre non-standard gas proration unit in the Custer-Ellenburger Gas Pool comprising Lots 1 and 2 and E/2 W/2 of Section 31, Township 24 South, Range 37 East, and Lots 2 and 3 of Section 6, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled 660 feet from the South line and 1590 feet from the West line of said Section 31.

(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.

= Jerry Roscoe = NSIP

= C. W. Train =

= W/draw adm =

~~3~~ 320

=

Jerry will send in application
later giving details -

Set for earliest possible
exp. leaving. Call Jerry for
more info. if ~~an~~ application not
in.

W/draw Trainers app. for adm.
approval when new app. received.