

**CASE 654: Application of MIDWEST
FOR TWO NON-STANDARD GAS SPACING
UNITS AND WELL LOCATIONS.**

Case Number
4654

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
February 2, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Midwest Oil
Corporation for two-nonstandard
gas spacing units and well
locations, Eddy County,
New Mexico.

Case No. 4654

BEFORE: Elvis A. Utz,
Alternate Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE FEBRUARY 2, 1972 TIME: 3 A.M.

NAME	ADDRESS	LOCATION
Donald H. Atkinson	McConnell, Connally & Stevens	S.F.
H. H. Lueseney	Zenith Oil Co.	S.F.
Nina H. Dalkowski	RW Byers & Co.	SF
Allen H. Lopez	Montgomery, Federal (Chicago)	S.F.
Lloyd W. Webb	Midwest oil co.	Midland, Texas
Frank Kasten	Gulf Oil Co - US	Midland, Texas
F.W. MORAN, JR	Kellah & Fox	Santa Fe
Jason Kellah	Wilson, Western	Artesia
N. Raymond Lant	State Land Office	Santa Fe.
Ray Graham		

(After recess.)

MR. UTZ: The hearing will come to order, please.

MR. LOPEZ: Mr. Examiner, my name is Owen Lopez, associated with the law firm of Montgomery, Federici, Andrews, Hannahs & Morris, Santa Fe. I have one witness.

MR. UTZ: I don't believe we have called the case yet, have we?

We didn't call it before.

Case 4054.

MR. HATCH: Case 4654: Application of Midwest Oil Corporation for two-nonstandard gas spacing units and well locations, Eddy County, New Mexico.

MR. UTZ: You better put this before his appearance. Any other appearances?

SANFORD WELLS

a witness, having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. LOPEZ

Q Would you please state your name, residence, and occupation?

A Sanford Wells, Petroleum Engineer, Midwest Oil Corporation, Midland, Texas.

Q Mr. Wells, have you testified previously before the New Mexico Oil Conservation Commission?

A No.

1 Q Would you please give the Examiner some of your educational
2 background and experience in the oil and gas field?

3 A I graduated from Tulsa University in 1962 with a B.S.
4 degree in Petroleum Engineering.

5 I was employed by Sinclair Oil & Gas Corporation six
6 years, drilling and production reservoir studies; a year
7 and a half Marathon Oil Corporation, as a Petroleum
8 Engineer in charge of water flood in Illinois.

9 I spent a year and a half with Shell Oil Company and
10 Gas as a drilling and completion engineer, Oklahoma, Kansas,
11 and Texas.

12 And I am currently employed by Midwest, in July of '71,
13 as a petroleum engineer.

14 Q Does your present occupation with Midwest include
15 supervision and familiarity with Midwest' operations in New
16 Mexico?

17 A Yes.

18 Q Mr. Examiner, are Mr. Wells' qualifications acceptable?

19 MR. UTZ: They are.

20 Q (By Mr. Lopez) Are you familiar with the Applicant Case 4654?

21 A Yes.

22 Q What does Midwest propose to do in this Application?

23 A We are asking for a non-standard gas spacing in Section 6
24 of 18 south, 29 east, Eddy County.

25 Currently there is 299 acres in the north half and 299

1 acres in the south half.

2 This is due to a deviation in the U. S. Public Land
3 Survey.

4 Q Is this so described on your Exhibit No. 1?

5 A Yes.

6 Q Now, referring to Exhibit No. 1, I notice that there is
7 shown a well drilled in the north half of Section 6 at a
8 distance 1,629 from the west boundary and 1,830 from the
9 north boundary.

10 Could you give us a brief run-down on why this well
11 was drilled in that location and what its original purpose
12 was?

13 A The original purpose was Devonian test and put on
14 unorthodox spacing as a Devonian test, and the Devonian
15 test was water and recompletion, was made in Arrow sand.

16 Q Was this an unorthodox location originally granted by this
17 Commission in order R-4180?

18 A Yes.

19 Q R-4,857?

20 A Yes. The reason was the survey was off by that amount.

21 Q Is it also true that you are seeking a unit of 299.23 acres
22 in the south half of Section 6 and also the unorthodox
23 location at 1,980 from the south and 1,980 from the east,
24 based on the reason that the survey of this section so
25 dictates?

1 A Yes.

2 Q Mr. Examiner, you will notice that the application
3 regarding the unorthodox location on the south half of
4 Section 6 was originally advertised at 1,980 from the south
5 and west lines.

6 However, the applicant now proposes to drill 1,980
7 from the south and east lines. However, I believe this is
8 subject to administrative approval since the unorthodox
9 location is based on survey deviation, and I think it was
10 originally included in this Application because of the fact
11 that a hearing was required on the application regarding
12 the north half.

13 However, I will leave that to your discretion whether
14 you think it is necessary to be advertised or not.

15 MR. UTZ: Why don't you go ahead and complete your
16 case, and we will have a discussion before we close the case.

17 Q (By Mr. Lopez) Now, I ask you to refer to Exhibit No. 2 and
18 explain briefly to the Examiner what this exhibit shows.

19 A Exhibit No. 2 is a type log of the Morrow sand. It is
20 shown as the top of the Morrow sand No. 1 and No. 2, which
21 we have perforated and treated, and also on the side is
22 shown the porosity and water saturation of the two sands.

23 Below is the formation of the Morrow. That is it.

24 Q If your Application is granted in this case, when do you
25 project drilling your second well in the south half of

1 Section 6?

2 A I would imagine the last of March.

3 Q Is it your opinion that if your Application is granted in
4 this case that it will prevent waste and protect
5 correlative rights of the offset operators?

6 A Yes.

7 Q Were Exhibits 1 and 2 prepared by you or under your
8 supervision?

9 A Under my supervision.

10 Q At this time, Mr. Examiner, the Applicant would like to
11 introduce Exhibits 1 and 2 into evidence.

12 MR. UTZ: Without objection, Exhibits 1 and 2 will be
13 entered into the record of this case.

14 At this time let's go off the record.

15 (Whereupon a brief off the record was held.)

16 MR. UTZ: Back on the record now, and I will ask you a
17 few questions to clarify this.

18 CROSS-EXAMINATION

19 BY MR. UTZ

20 Q Mr. Wells, it is my understanding that you brought a case
21 before the Commission which was approved by Case 4528 for a
22 non-standard location of Section 6 for
23 the Devonian Formation.

24 A Correct.

25 MR. LOPEZ

1 4578.

2 MR. UTZ: 4578.

3 Q (By Mr. Utz) Rather than the Devonian Formation, you completed
4 this in the Morrow?

5 A Correct.

6 Q Is this then a non-standard location in the Morrow at this
7 location?

8 A Yes.

9 Q Then you are asking at this Hearing for a non-standard
10 location in the Morrow?

11 A Correct.

12 Q I missed that in your Application, I guess, and in addition
13 to that you are asking for the two non-standard proration
14 units, one in the north half, one in the south half?

15 A Yes.

16 Q So that then your request for a non-standard location in
17 the southwest quarter of Section 6, you are now dropping in
18 favor of a standard location in the southeast quarter?

19 A Yes.

20 MR. UTZ: Anything else?

21 Are there any other questions?

22 The witness may be excused.
23
24
25

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PAGE 9

1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF BERNALILLO)

4 I, RICHARD STURGES, a Certified Shorthand Reporter, in and
5 for the County of Bernalillo, State of New Mexico do hereby
6 certify that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was reported
8 by me; and that the same is a true and correct record of the
9 said proceedings to the best of my knowledge, skill and ability.

10 
11 CERTIFIED SHORTHAND REPORTER

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Bernalillo hearing of Case No. 4654
25 heard by me on July 24, 1942 19
 Fred W. ...
New Mexico Oil Conservation Commission

I N D E X

WITNESS

PAGE

SANFORD WELLS

Direct Examination by Mr. Lopez

3

Cross-Examination by Mr. Utz

7

E X H I B I T S

APPLICANT'S

Exhibits 1 & 2

7



OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMUJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 8, 1972

Mr. Owen Lopez
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4654
Order No. R-4254
Applicant:
MIDWEST OIL CORPORATION

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 x
Aztec OCC

Other _____

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. 4654
Order No. R-4254

APPLICATION OF MIDWEST OIL COR-
PORATION FOR TWO NON-STANDARD GAS
SPACING UNITS AND AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of February, 1972, 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, Midwest Oil Corporation, seeks an exception to Rule 104 of the Commission Rules and Regulations for approval of an unorthodox gas well location for its South Empire Deep Unit Well No. 1, located 1830 feet from the North line and 1639 feet from the West line of Section 6, Township 18 South, Range 29 East, NMPM, undesignated Morrow gas pool, Eddy County, New Mexico, with the N/2 of said Section 6 to be dedicated to the subject well.

(3) That the above-described well was projected as an oil well at a standard location to test the Devonian formation but was productive of gas from the Morrow formation.

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CASE NO. 4654
Order No. R-4254

(4) That the applicant also seeks approval of two 299-acre non-standard gas proration units in the subject pool comprising the N/2 and the S/2 of said Section 6.

(5) That the unorthodox size and shape of each of the proposed non-standard units is due to variations in the United States Public Land Surveys.

(6) That the proposed non-standard gas proration unit comprising the N/2 of said Section 6 can be efficiently and economically drained and developed by the aforesaid South Empire Deep Unit Well No. 1.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the undesignated Morrow 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 an unorthodox location is hereby approved for Midwest Oil Corporation's South Empire Deep Unit Well No. 1, located 1830 feet from the North line and 1639 feet from the West line of Section 6, Township 18 South, Range 29 East, NMPM, undesignated Morrow gas pool, Eddy County, New Mexico.

(2) That a 299.23-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the N/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to the above-described South Empire Deep Unit Well No. 1.

(3) That a 299.93-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the S/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a well to be drilled 1980 feet from the South line and 1940 feet from the East line of said Section 6.

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

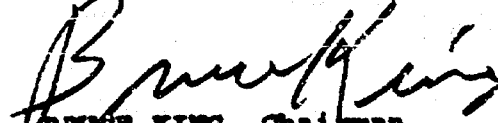
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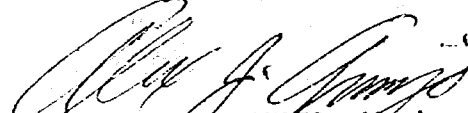
CASE NO. 4654

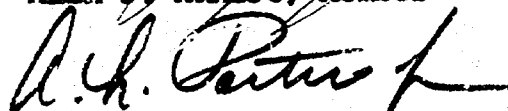
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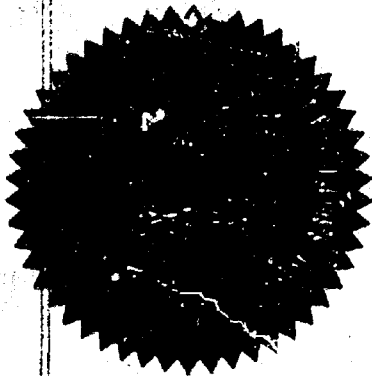
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

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/

4654

Lead 2-2-72

Rec. 2-2-72.

Grant Midwest on NSL for
its So. Empire Map Unit #1
1830 / N, 1639 / W, 6-18S-29E.
an undesignated Mon on Dea-
conery.

Also Grant an N&P for
this well consisting of the
N 1/2 of said sec. 6. 299.23 Ac)

Also Grant an S&P for
the S 1/2 of said sec. 6 (299.93 Ac)
for a well to be drilled
1880 / S & E (St. Louis)

Thos O. [Signature]

not 3926 as a guide
there are 2 non-std units
and 1 unorthodox Austin

feet from the West line. Said S/2 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the South and West lines.

CASE 4655: Application of Western Oil Producers, Inc. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 320-acre non-standard gas proration units in an undesignated Devonian gas pool, the first comprising the NE/4 of Section 31 and the NW/4 of Section 32, Township 20 South, Range 36 East, Lea County, New Mexico, to be dedicated to applicant's State M Well No. 1 located 1980 feet from the North line and 660 feet from the West line of said Section 32. The second unit would comprise the SE/4 of Section 31 and the SW/4 of Section 32 and would be dedicated to a well to be drilled 1650 feet from the South line and 660 feet from the West line of said Section 32.

CASE 4656: Application of Western Oil Producers, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Devonian gas well at an unorthodox location 990 feet from the West line of Section 29, Township 20 South, Range 36 East, Lea County, New Mexico, and 660 feet from the side boundary of the proration unit, which would comprise the S/2 of said Section 29.

CASE 4563: (Continued from the January 5, 1972 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 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 January 5, 1972, 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

DOCKET: EXAMINED HEARING - WEDNESDAY - FEBRUARY 2, 1972

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 4497 (Reopened):

In the matter of Case 4497 being reopened pursuant to the provisions of Order No. R-4102, which order established special rules and regulations for the Twin Lakes-San Andres Pool, Chaves County, New Mexico, including provisions for the classification of oil and gas wells and the establishment of a gas-oil ratio limitation of 4,000 cubic feet of gas for each barrel of oil. All interested persons may appear and show cause why the gas-oil ratio limitation should not be reduced and why the special rules and regulations should not be discontinued.

CASE 4652: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Central Drinkard Unit Area Waterflood Project, Drinkard Pool, by the injection of water through 15 additional wells in Sections 28, 29, 31, 32, and 33 of Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4653: Application of Odessa Natural Corporation for compulsory pooling, San Juan 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 Dakota formation underlying the E/2 of Section 36, Township 26 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Dakota formation at a location 1600 feet from the North line and 1,000 feet from the East line of said Section 36. 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 the supervision of said well.

CASE 4654: Application of Midwest Oil Corporation for two-nonstandard gas spacing units and well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 299-acre gas spacing units comprising the N/2 and the S/2 of Section 6, Township 18 South, Range 22 East, undesignated Morrow gas pool, Eddy County, New Mexico. Said N/2 to be dedicated to a well located at an unorthodox location 1830 feet from the North line and 1639

(Case 4619 continued)

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 January 5, 1972, 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 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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Oil CONSERVATION COMM.
SANTA FE

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF MIDWEST OIL)
CORPORATION FOR TWO NON-)
STANDARD GAS SPACING UNITS)
AND UNORTHODOX LOCATIONS, UN-)
DESIGNATED MORROW GAS POOL,)
SOUTH EMPIRE DEEP UNIT,)
EDDY COUNTY, NEW MEXICO)

Case No. 4654

APPLICATION

Comes now Midwest Oil Corporation by its attorneys and applies to the New Mexico Oil Conservation Commission for approval of two non-standard gas spacing units and unorthodox gas well locations in an undesignated Morrow Gas Pool, in the South Empire Deep Unit, Eddy County, New Mexico, and in support of its application states:

1. The South Empire Deep Unit was approved by Order No. R-4185, in Case No. 4578 on August 25, 1971. Unitized formations include the Devonian and the Morrow formations within the Unit Area of the South Empire Deep Unit as set forth in the said Order No. R-4185.
2. Midwest Oil Corporation commenced a well projected as an oil well in the Devonian formation at a location 1830 feet from the North line, and 1639 feet from the West line, of Section 6, Township 18 South, Range 29 East, Eddy County, New Mexico, within the South Empire Deep Unit area; however, the said well was completed as a gas well in the Morrow formation.
3. Applicant seeks approval of an unorthodox gas well location for the aforesaid well, and in addition seeks approval of a non-standard gas spacing unit comprising the North half of said Section 6, containing 299.23 acres, more or less.
4. Applicant further seeks approval of a non-standard gas spacing unit comprising the South half of said Section 6, containing 299.93 acres, more or less, which unit would be dedicated

to a Morrow gas well to be drilled 1980 feet from the South line and 1980 feet from the West line of said Section 6.

5. The two non-standard gas spacing units for which approval is sought by this application are occasioned by deviation in the United States Public Lands Survey.

6. A plat showing the outline of the South Empire Deep Unit and showing the subject acreage and wells is attached to this application.

7. Approval of this application will neither cause waste nor impair correlative rights.

WHEREFORE, applicant requests that this application be set for hearing before the Commission or one of its Examiners and that the Commission enter its order granting this application.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAH & MORRIS

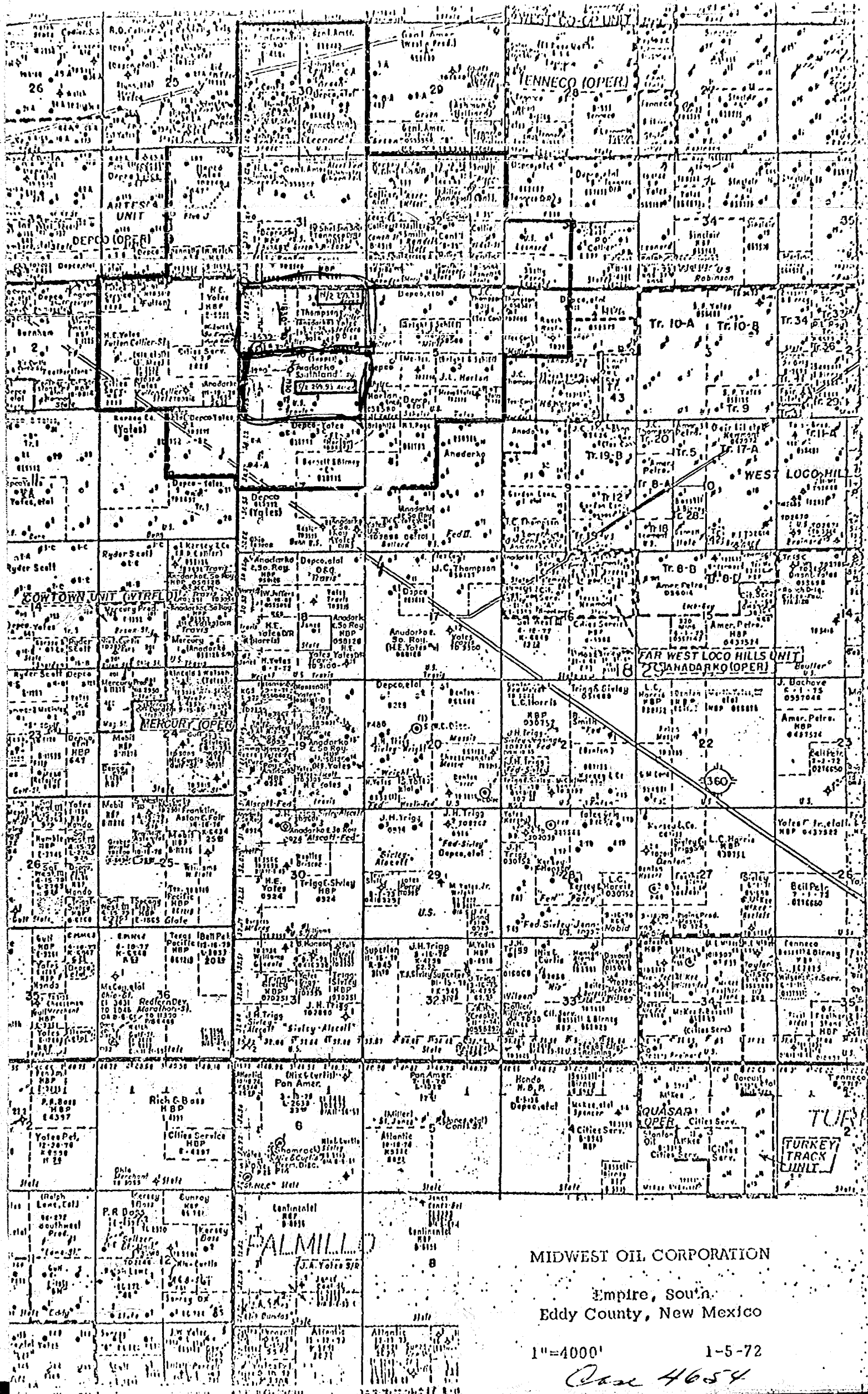
By 

P.O. Box 2307

350 East Palace Avenue

Santa Fe, New Mexico 87501

Attorneys for Midwest Oil Corporation.



DRAFT

GMH/dr

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. 4654

Order No. R-4254

APPLICATION OF MIDWEST OIL CORP-
ORATION FOR TWO-NONSTANDARD GAS
SPACING UNITS AND AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 2, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of February, 1972, 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, Midwest Oil Corporation, seeks
an exception to Rule 104 of the Commission Rules and Regulations
for approval of an unorthodox gas well location for its South
Empire Deep Unit Well No. 1, located 1830 feet from the North
line and 1639 feet from the West line of Section 6, Township 18
South, Range 29 East, NMPM, undesignated Morrow gas pool, Eddy
County, New Mexico, with the N/2 of said Section 6 to be dedicated
to the subject well.

(4) That the applicant also seeks approval of two 299-acre non-standard gas proration units in the subject pool comprising the N/2 and the S/2 of said Section 6.

(3) That the above-described well was projected as an oil well at a standard location to test the Devonian formation but was productive of gas from the Morrow formation.

(5) That the unorthodox size and shape of each of the proposed non-standard units is due to variations in the United States Public Land Surveys.

(6) That the proposed non-standard gas proration unit comprising the N/2 of said Section 6 can be efficiently and economically drained and developed by the ^{aforesaid} ~~subject~~ ^{South Empire Deep Unit Well No 1.} well.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the undesignated Morrow 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 an unorthodox location is hereby approved for Midwest Oil Corporation's South Empire Deep Unit Well No. 1, located 1830 feet from the North line and 1639 feet from the West line of Section 6, Township 18 South, Range 29 East, NMPM, undesignated Morrow gas pool, Eddy County, New Mexico.

-3-

CASE NO. 4654

Order No. R-

(2) That a 299.23-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the N/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to the above-described South Empire Deep Unit Well No. 1.

299.93

(3) That a 299.93-acre non-standard gas proration unit in the subject undesignated Morrow gas pool comprising the S/2 of Section 6, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a well to be drilled 1980 feet from the South line and 1980 feet from the East line of said Section 6.

(4) 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.