

CASE No.

4815

Application,

Transcripts,

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
September 13, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company
for pool creation and special pool
rules, Eddy County, New Mexico.

a n d

Application of Inexco Oil Company
for a dual completion, Eddy County,
New Mexico.

CASE NO. 4815

CASE NO. 4828

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call Case Number 4815.

2 MR. HATCH: Case 4815: Application of Inexco
3 Oil Company for pool creation and special pool rules, Eddy
4 County, New Mexico.

5 MR. NUTTER: At this time we will also call Case
6 Number 4828.

7 MR. HATCH: Case 4828: Application of Inexco
8 Oil Company for a dual completion, Eddy County, New Mexico.

9 MR. NUTTER: For the purpose of testimony we will
10 consolidate Case 4815 and Case 4828.

11 MR. KELLAHIN: Mr. Examiner, Thomas Kellahin
12 of Kellahin and Fox, Santa Fe, appearing for Inexco Oil
13 Company and I have one witness to be sworn.

14 * * * * *

15 BERNARD J. MAHONY

16 appeared as a witness and, having been duly sworn according
17 to law, testified as follows:

18 DIRECT EXAMINATION

19 BY MR. KELLAHIN:

20 Q Mr. Mahony, will you please state your full name, your
21 address, and your occupation for the record, please?

22 A Yes, sir. Bernard J. Mahony, 3528 Imperial, Midland,
23 Texas, Division Manager for Inexco Oil Company in
24 Midland, Texas.

25 Q Mr. Mahony, you have not previously testified before the

1 New Mexico Oil Conservation Commission, have you?

2 A No, sir.

3 Q Will you please, briefly, state your educational
4 background and your employment experience?

5 A I have a Bachelors of Science degree from the New Mexico
6 Institute of Mining and Technology, Socorro, New Mexico;
7 Petroleum Engineering, I've worked for Texaco, Standard
8 Oil of New Jersey, Sinclair Oil and Gas. I've been
9 an independent operator and a consulting engineer over
10 a period of seven years. I have worked for Drilling
11 Well Control Inc., as a well killer and deep drilling
12 specialist. I am presently manager of drilling and
13 production for Inexco Oil Company, New Mexico, West
14 Texas and Oklahoma.

15 Q You are then familiar with the production in Eddy
16 County, New Mexico?

17 A Yes, sir.

18 Q Have you examined and are you familiar with the facts
19 in this particular Application?

20 A Yes, sir.
21 MR. KELLAHIN: Mr. Examiner, are the witness'
22 qualifications as an expert acceptable?

23 MR. NUTTER: Yes, sir, they are.

24 Q (By Mr. Kellahin) Mr. Mahony, will you state briefly
25 what the Applicant is seeking by these two applications?

A For special rules in Eddy County, New Mexico, we would

1 like to seek the creation of a new Strawn gas pool
2 for a well located 1,980 feet from the south and
3 west lines of Section 18, Township 21 South, Range 26
4 East, Eddy County, New Mexico.

5 We seek further, the promulgation of special
6 rules therefor, including a provision for 640 acre
7 spacing.

8 In Case 4828, we are submitting the Application
9 for a dual completion on the same well and the same
10 location in Eddy County, New Mexico; that's the
11 McMinn State Well Number 1, I've already given the
12 location, so we may produce gas from the Strawn
13 formation and the Morrow formation.

14 Q Have you prepared Exhibits in support of these two
15 Applications?

16 A Yes, sir.

17 Q Referring to Applicant's Exhibit Number 1, I ask you
18 to identify this and explain what information it
19 contains.

20 A This is a map showing nine sections, Township 21 South,
21 Range 26 East, Eddy County, New Mexico. In the center
22 section, Section 18, is the well in question, the
23 McMinn State Number 1. Adjacent to it are Morrow
24 wells in Section 12, Section 24 and south of it in
25 Section 19. That's about it. This map shows the

1 ownership of the leases surrounding the well in
2 question.

3 Q Is Section 18 dedicated to this well?

4 A Yes, sir.

5 Q And what is the spacing with regard to the Morrow
6 formation?

7 A 640 acres.

8 Q And you are seeking the same acreage spacing in the
9 same section dedicated for the Strawn formation?

10 A Yes, sir.

11 Q I refer you to Exhibit 2 and ask you to identify it
12 and explain briefly what information it contains.

13 A This Exhibit contains data pertinent to this particular
14 well, the well name, location, producing formation,
15 producing interval, reservoir temperature, calculated
16 absolute open flow, porosity, water saturation, bottom
17 hole pressure, well costs, estimated reserves,
18 compressibility factor, gas price, condensate, royalty,
19 taxes, operating costs, producing life, and return on
20 investment.

21 Q With regards to the well costs, what does this figure
22 represent?

23 A This figure represents the cost of the Strawn well.

24 Q I refer you to Exhibit 3 and ask you to identify it
25 and explain briefly what information it contains.

1 A Exhibit 3 is a schematic drawing of the McMinn State
2 Number 1. It shows the tubing, casing that we have,
3 it shows the perforations, total depth, location of
4 the packers.

5 Q Is this type of completion adequate to protect the
6 two separate producing formations?

7 A Yes, sir.

8 Q Using this diagram, explain briefly what precautions
9 you've taken to insure that separation.

10 A We've run a bond log from the bottom of the well to
11 the top of the cement. We have set an Otis Perma-
12 Lach Packer between the two zones to separate them
13 and we have performed certain pressure tests on the
14 well to make sure that we don't have any type of
15 communication.

16 Q What was the result of those tests?

17 A They showed no communication, and the bond log showed
18 an adequate cement job.

19 Q I refer you to Exhibit Number 4 and ask you to identify
20 it and explain briefly what information it contains.

21 A Exhibit 4 is a compensated neutron formation density
22 log which shows a portion of the well which was logged.
23 It shows the Strawn formation, the Morrow formation,
24 where we have perforated the Strawn, the porosity and
25 water saturation, of the Strawn, it shows where we have

1 perforated the Morrow, the porosity and water saturations
2 of the Morrow. It shows the different Morrow sands,
3 the Morrow B sand and the C sand and the D sand. It
4 also shows the total depth of the well.

5 Q In your Applications, you've asked for 640 acre spacing.
6 Do you have any information presently available to you
7 to you to indicate that this well will adequately drain
8 640 acres?

9 A We don't have any production history at the present
10 time. We don't have a line to the well yet.

11 Q That is why you are then seeking a temporary order
12 for a period of one year?

13 A Yes, sir.

14 Q If you are committed to 320 acre spacing at this time,
15 what effect will that have upon Inexco?

16 A At this time?

17 Q Yes, sir.

18 A It could create some economic waste.

19 Q Then, in your opinion, will approval of these two
20 Applications prevent waste?

21 A Yes, sir.

22 Q Will it not impair correlative rights?

23 A It will not impair correlative rights.

24 Q Were Exhibits 1 through 4 prepared by you or under your
25 direction?

1 A Yes, sir.

2 MR. KELLAHIN: Mr. Examiner, we move the submission
3 of Exhibits 1 through 4.

4 MR. NUTTER: Applicant's Exhibits 1 through 4 will
5 be admitted in evidence.

6 (Whereupon, Applicant's Exhibits 1 through 4 were
7 marked and received into evidence.)

8 MR. KELLAHIN: We have nothing further at this
9 time.

10 * * * * *

11 CROSS-EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Mahony, on referral to the dual completion aspect
14 of this Case, what is the bottom-hole pressure in the
15 Strawn and the Morrow, please?

16 A Well, the bottom-hole?

17 Q What was the differential across the packer?

18 A The bottom-hole pressure in the Strawn is 4,542 pounds.
19 I'm trying to find the bottom-hole pressure in the
20 Morrow here, I'll find it in a few minutes.

21 Q Well, Mr. Mahony, you may not have the information;
22 you may have to submit it to me. I'll go ahead with
23 these.

24 We'll need the bottom-hole pressure on the Morrow.
25 I'd like the gravity of the gas in the Strawn and the

1 Morrow and the gravity of the liquids in each of the
2 zones.
3 A All right.
4 Q Does either zone make water, Mr. Mahony?
5 A All I can answer to that is no. We haven't seen any
6 water out of either zone, but I think that we may
7 eventually see some water.
8 Q From which?
9 A Possibly from both.
10 Q Well, do you think you will have any problem with
11 producing liquids through the annulus in this dual
12 completion, then?
13 A No, sir, I don't think so. The annulus is on the
14 Strawn side and at the present time we have condensate
15 being produced with the gas and I don't see any
16 problems. Should such a problem arise, we would have
17 to go back and do remedial work on it.
18 Q I see. Now, you say you don't have a pipeline
19 connection for the Strawn as yet, or the Morrow, for
20 that matter?
21 A Right.
22 Q But you are seeking a temporary rule. What would that
23 be from one year from the date of connection?
24 A Yes, sir. At that time we'd have enough bottom hole
25 pressure data and production data to be able to

1 calculate a material balance and through this
2 calculation, with the drainage area.

3 Q And so far you don't have any drawn down datum to
4 show the profit in the Strawn?

5 A No, sir.

6 Q The effective drainage at all?

7 A No, sir. Now, that bottom-hole pressure on the
8 Morrow was 4,320 PSI.

9 Q So you have got a differential there of 200 pounds
10 between the two formations?

11 A Yes, we have a differential of about 220 pounds.

12 MR. NUTTER: Are there further questions of
13 Mr. Mahony?

(No response.)

14 MR. NUTTER: Do you have anything further,

15 Mr. Kellahin?

16 MR. KELLAHIN: No.

17 MR. NUTTER: We will have a 15 minute recess.

18 (Whereupon, the Hearing was recessed until 10:30

19 o'clock A.M.)

20 MR. NUTTER: We will call Case 4816.

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

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

11 John De La Rosa
12 COURT REPORTER
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I N D E XWITNESS:PAGEBERNARD MAHONY

Direct Examination by Mr. Kellahin

3

Cross-Examination by Mr. Nutter

9

E X H I B I T SAPPLICANT'SOFFEREDADMITTED

Inexco Oil Company

Exhibit Number 1

5

9

Exhibit Number 2

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Exhibit Number 3

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Exhibit Number 4

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9



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2068 - SANTA FE
87501

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

September 27, 1972

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4815
Order No. R-4405
Applicant:
Inexco Oil Company

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

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. 4815
Order No. R-4405

APPLICATION OF INEXCO OIL COMPANY
FOR POOL CREATION AND SPECIAL
POOL RULES, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 13, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of September, 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, Inexco Oil Company, seeks the creation of a new gas pool for Strawn production in Eddy County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 640-acre spacing units.

(3) That the Inexco Oil Company well located 1980 feet from the South line and 1980 feet from the West line of Section 18, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico, having its top perforations at 9,868 feet, has discovered a separate common source of supply which should be designated the East Catclaw Draw-Strawn Gas Pool; that the vertical limits of said pool should be the Strawn formation and that the horizontal limits of said pool should be all of said Section 18.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect

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CASE NO. 4815
Order No. R-4405

correlative rights, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the East Catclaw Draw-Strawn Gas Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the East Catclaw Draw-Strawn Gas Pool, at which time the operators in the subject pool should appear and show cause why the East Catclaw Draw-Strawn Gas Pool should not be developed on 320-acre spacing units.

(8) That the first operator to obtain a pipeline connection for a well in the East Catclaw Draw-Strawn Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production, is hereby created and designated the East Catclaw Draw-Strawn Gas Pool, with vertical limits comprising the Strawn formation and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 18: All

(2) That temporary Special Rules and Regulations for the East Catclaw Draw-Strawn Gas Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
EAST CATCLAW DRAW-STRAWN GAS POOL

RULE 1. Each well completed or recompleted in the East Catclaw Draw-Strawn Gas Pool or in the Strawn formation within one mile thereof, and not nearer to or within the limits of

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CASE NO. 4815
Order No. R-4405

another designated Strawn gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by

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CASE NO. 4815
Order No. R-4405

registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Catclaw Draw-Strawn Gas Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before October 15, 1972.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the East Catclaw Draw-Strawn Gas Pool shall have dedicated thereto 640 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 640 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the East Catclaw Draw-Strawn Gas Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the East Catclaw Draw-Strawn Gas Pool, at which time the operators in the subject pool may appear and show cause why the East Catclaw Draw-Strawn Gas Pool should not be developed on 320-acre spacing units.

(4) That the first operator to obtain a pipeline connection for a well in the East Catclaw Draw-Strawn Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

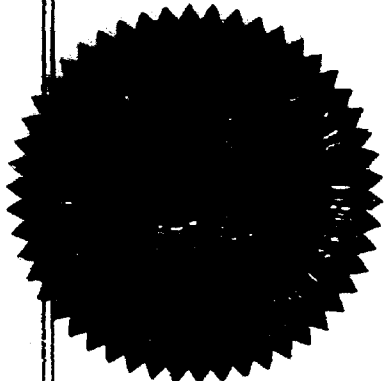
-5-

CASE NO. 4815
Order No. R-4405

(5) 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



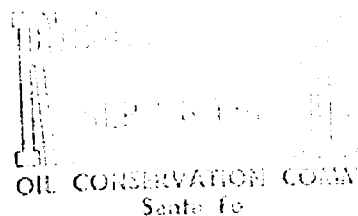
Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/



September 22, 1972

*File Case
4815*

Mr. Dan Nutter
New Mexico Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico

Re: Specific Gravity of Gas in
Morrow and Strawn Formations
In McMinn State No. 1, Sec. 18,
T-21S, R-26E, Eddy County, New
Mexico.

Dear Dan:

As per your request, I am sending the data concerning the Specific Gravity of the gas in the Morrow and Strawn formations in the subject well. The specific gravities are circled in red on the enclosed copies of back pressure test forms.

It was certainly nice to see you again. You seem quite at home in your position with the Commission. Many thanks for your assistance.

Best personal regards,

Bernard J. Mahony
Bernard J. Mahony

BJM/sv

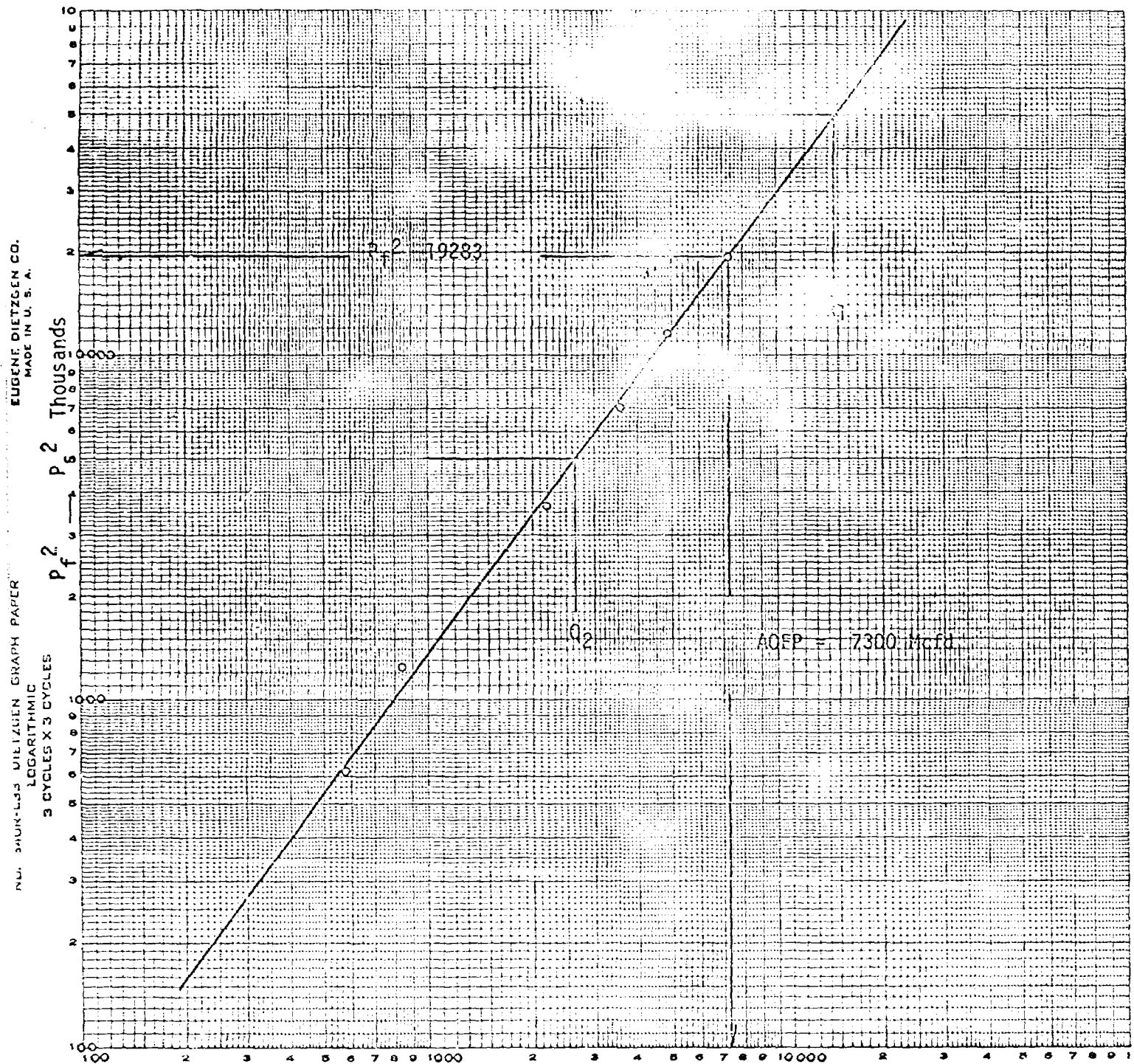
Attachments

NEW MEXICO OIL CONSERVATION COMMISSION MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 7-21-72	
Company INEXCO OIL COMPANY		Connection None	
Pool Catclaw Draw		Formation Morrow B. C. D	
Completion Date		Elevation 3310 GL	
Total Depth 10,800		Well No. 1	
Csg. Size 5 1/2	Wt. 17 & 20#	Set At 10,800	Perforations: From 10536 To 10724
Thq. Size 2 7/8	Wt. 6.5#	Set At 10,454	Perforations: From To
Type Well - Single - Bradenhead - G.C. or G.O. Multiple		Packer Set At 10,454	
Single (Potential Dual)		Baro. Press. - P _a	
Producing Thru Tubing	Reservoir Temp. °F 160 @ 10720	Mean Annual Temp. °F	Prover 4"
L 10,630	H 10,630	G _g 0.5828	% CO ₂ Mol% .0079
			% N ₂ Mol% .0019
			% H ₂ S 0
FLOW DATA		CASING DATA	
NO.	Prover Line Size	X	Orifice Size
SI	75 1/2 hrs		
1.	4"	X	2"
2.	4"	X	2"
3.	4"	X	2"
4.	4"	X	2"
5.	4"	X	2"
RATE OF FLOW CALCULATIONS			
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m
1	19.81	22.8	148.2
2	19.81	33.1	168.2
3	19.81	85.8	263.2
4	19.81	135.0	563.2
5	19.81	183.8	563.2
Flow Temp. Factor F _t			
Gravity Factor F _g			
Super Compress. Factor, F _{pv}			
Rate of Flow Q, Mcfd			
Dry Gas			
Mcf/bbl. Deg.			
Gas Liquid Hydrocarbon Ratio			
A.P.I. Gravity of Liquid Hydrocarbons 0.583			
Specific Gravity Separator Gas XXXXX			
Specific Gravity Flowing Fluid XXXXX			
Critical Pressure 672 P.S.I.A.			
Critical Temperature 350 °F			
NO.	P _i	Temp. °R	T _r
1	0.22	555	1.59
2	0.25	555	1.59
3	0.39	554	1.58
4	0.84	549	1.57
5	0.84	540	1.54
Z			
P _e 4391.2 P _e 19,283			
NO.	P _s	P _s	P _s
1	4320.2	18664	16195
2	4250.2	18064	1219
3	3956.2	15652	3631
4	3501.2	12258	7025
5	2807.2	7880	11403
Absolute Open Flow 7300 Mcfd @ 15.025			
Angle of Slope 53° 27'			
Slope, n 0.7411			
Remarks: BHP measured with Amerada RPG-3 gauge.			
Approved By Commission:		Conducted By: Tefteller, Inc.	Calculated By: F. Tefteller
			Checked By:

Well : McMinn State No. 1
 Field : Catclaw Draw
 County : Eddy
 State : New Mexico
 Date : July 21, 1972



Q₁ = 14600 Mcfd; Log Q₁ = 4.16435
 Q₂ = 2640 Mcfd; Log Q₂ = 3.42325
 n = .7411
 θ = 53° 27'

AUG. 9 AM

NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 8-1-72	
Company Inexco Oil Company		Connection	
Pool		Formation Strawn	
Completion Date 8-2-73		Total Depth 10800	
Plug Back TD 10754		Elevation	
Farm or Lease Name McMinn State		Well No. 1	
Csg. Size 5 1/2	Wt. 17 & 20#	Set At 10800	Perforations: From 9868 To 9878
Teg. Size 2 7/8	Wt. 6.5	Set At 10454	Perforations: From To
Type Well - Single - Bradenhead - G.C. or G.O. Multiple Dual Tbg & Csg		Packer Set At 10454	
Producing Thru Tbg. & Csg.		Baro. Press. - P _a 13.2	
Reservoir Temp. °F 176 @ 9873		Mean Annual Temp. °F 70	
County Eddy		State New Mexico	
L 9873	H 9873	G _g 0.609	% CO ₂ Mol .0042
		% N ₂ Mol .0088	% H ₂ S Nil
Prover 4"		Meter Run Flange	

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
SI				3075			3075		Pkr.		
1.	4"	X	1.000	2939	90	88	2939	88	"		1 hr.
2.	4"	X	1.500	2892	24	88	2892	88	"		1 hr.
3.	4"	X	1.500	2823	37	88	2823	88	"		1 hr.
4.	4"	X	1.500	2743	53	80	2743	80	"		1 hr.
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super. Comp. Factor, F _{pv}	Rate of Flow Q, Mcfd
1	4.753	273.0	828.2	0.9741	1.279	1.075	1737.9
2	10.84	143.5	858.2	0.9741	1.279	1.078	2089.2
3	10.84	183.9	913.2	0.9741	1.279	1.082	2687.3
4	10.84	223.0	938.2	0.9813	1.279	1.092	3313.1
5							

NO.	P _i	Temp. °R	T _i	Z	Gas Liquid Hydrocarbon Ratio	A.P.I. Gravity of Liquid Hydrocarbon	Specific Gravity Separator Gas	Specific Gravity Flowing Fluid	Critical Pressure	Critical Temperature
1	1.23	548	1.45	0.856			0.609		673	379
2	1.28	548	1.45	0.861						
3	1.36	548	1.45	0.854						
4	1.39	540	1.42	0.838						
5										

P_f 3904.2 P_f² 15243

NO.	P _i ²	P _s ²	P _s ² - P _i ²
1	3751.2	14072	1171
2	3713.2	13788	1455
3	3622.2	13120	2123
4	3528.2	12448	2795
5			

(1) $\frac{P_c^2}{P_i^2 - P_w^2} =$ (2) $\left[\frac{P_c^2}{P_i^2 - P_w^2} \right]^n =$

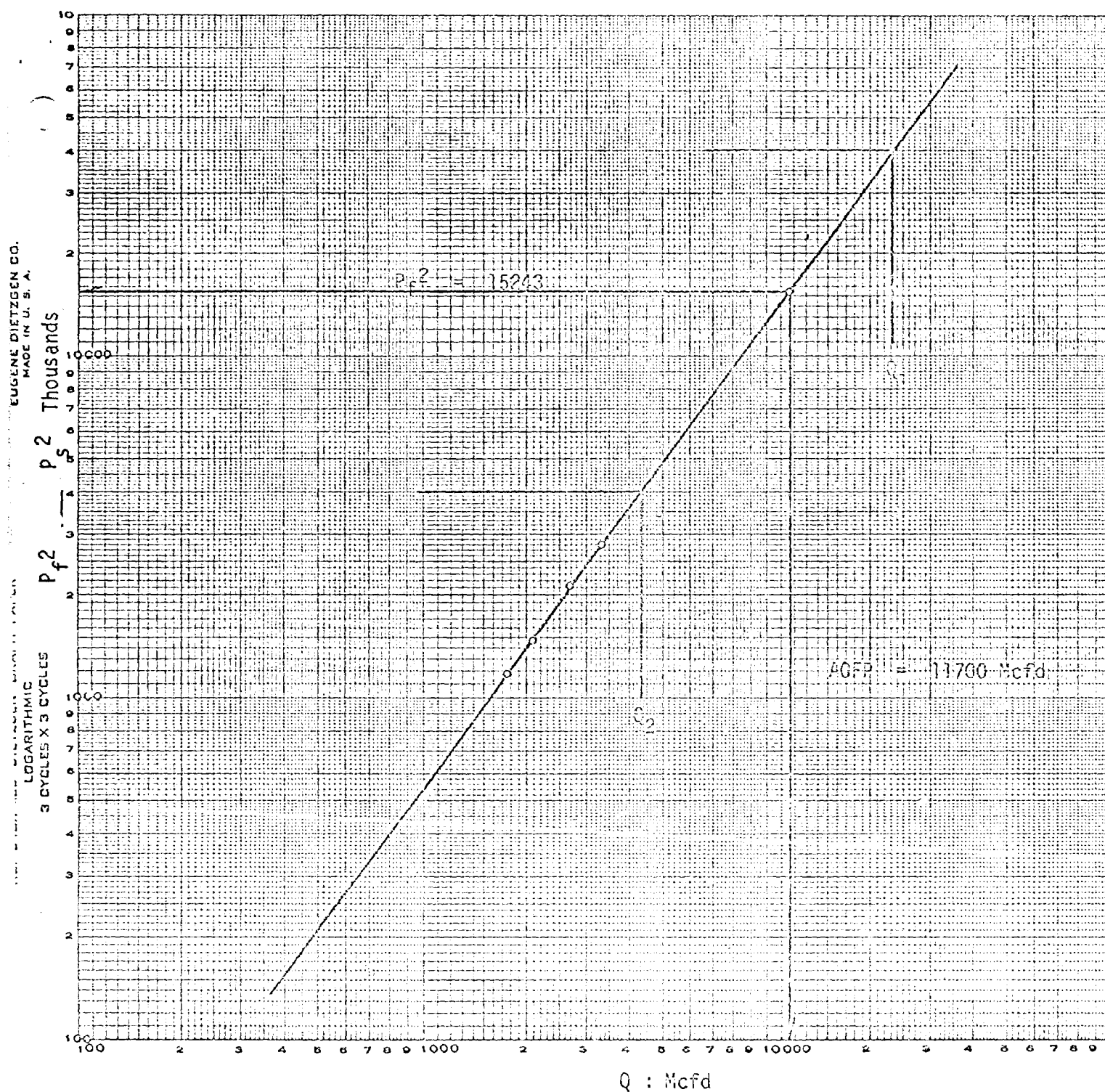
AOI = Q $\left[\frac{P_i^2}{P_i^2 - P_w^2} \right]^n =$

Absolute Open Flow 11,700 Mcfd @ 15.025 Angle of Slope 53° 52' Slope, n 0.73001

Remarks: BHP measured with Amradco RRG-3 gauge.

Approved By Commission	Conducted By: Tefteller, Inc.	Calculated By: F. Tefteller	Checked By:
------------------------	----------------------------------	--------------------------------	-------------

Company : Inexco Oil Company
 Well : McMinn State No. 1
 Field : Catclaw Draw
 County : Eddy
 State : New Mexico
 Date : August 1, 1972



$Q_1 = 23200$ Mcfd ; $\text{Log } Q_1 = 4.36549$
 $Q_2 = 4320$ Mcfd ; $\text{Log } Q_2 = 3.63548$
 $n = 0.73001$
 $\theta = 53^\circ 52'$

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1972, from seventeen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1972.

CASE 4808: Application of Skelly Oil Company for a waterflood expansion and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to expand its Grayburg-Jackson Skelly Unit Waterflood Project, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water through its Unit Well No. 114 located in Unit D of Section 14, Township 17 South, Range 31 East. Said Well No. 114 to be completed as a dual completion in such a manner as to permit the production of oil from the Fren-Sevens Rivers Pool and the injection of water into the Grayburg-Jackson Pool.

CASE 4809: Application of Saturn Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Antebellum Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East, Lea County, New Mexico.

CASE 4810: In the matter of the application of the Oil Conservation Commission on its own motion to consider the revision of the special rules for the Devils Fork Gallup Associated Pool and the Escrito Gallup Associated Pool, Rio Arriba and San Juan Counties, New Mexico, promulgated by Orders Nos. R-1670-B and R-1793-A, respectively, to permit taking of gas-oil ratio and bottom-hole pressure tests on an annual basis rather than quarterly and semi-annually, as is now required.

CASE 4747: (Continued from the July 26, 1972, Examiner Hearing)

Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. 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.

CASE 4577: (Reopened)

In the matter of Case 4577 being reopened pursuant to the provisions of Order No. R-4181, which order established special rules and regulations for the Parkway-Wolfcamp Pool, Eddy County, New Mexico, including a provision for 160-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre or 80-acre spacing units.

CASE 4811: Application of Atlantic Richfield Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard gas proration unit comprising the N/2 SE/4 and NE/4 SW/4 of Section 36, Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be dedicated to its State 367 Well No. 3 located in Unit K of said Section 36.

CASE 4812: Application of Midwest Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 104, authority to drill a wildcat gas well to test the Morrow formation at an unorthodox location 1320 feet from the South and East lines of Section 1, Township 18 South, Range 28 East, Eddy County, New Mexico, with the S/2 of said Section 1 to be dedicated to the well.

CASE 4813: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sitting Bull Unit Area comprising 6,665 acres, more or less, of Federal lands in Sections 28, 29, 31, 32, and 33 of Township 23 South, Range 22 East, and Sections 4 through 9 of Township 24 South, Range 22 East, Eddy County, New Mexico.

CASE 4814: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Four Forks Unit Area comprising 3,133 acres, more or less, of Federal and Fee lands in Sections 3, 10, 11, 14 and 15 of Township 22 South, Range 25 East, Eddy County, New Mexico.

CASE 4815: Application of Inexco Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn gas pool for its well located 1980 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing units.

CASE 4816: Application of Penroc Oil Corporation for a special gas-oil ratio limitation increase, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of the special rules and regulations for the Hobbs-Drinkard Pool promulgated by Order No. R-3811, as amended,

(Case 4816 continued from Page 2)

to establish a limiting gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil in said pool.

CASE 4817: Application of Phillips Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Drag "B" Well No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce gas from the South Carlsbad-Morrow Gas Pool through tubing and an undesignated Canyon gas pool through the casing-tubing annulus.

CASE 4818: Application of Tipperary Land and Exploration Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the North Bagley-Pennsylvanian Pool by the injection of water into the Strawn and possibly other formations by the injection of water through its Bess Well No. 1 located 660 feet from the North line and 1980 feet from the East line of Section 20, Township 11 South, Range 33 East, Lea County, New Mexico.

CASE 4819: Application of D. L. Hannifin for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and under the S/2 of Section 24, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the South 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.

CASE 4820: Application of Anadarko Production Company for the creation of an associated pool, special rules therefor, downhole and surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new associated pool for the production of oil and gas from the Yates and Seven Rivers formations for its Loco Hills Federal "B" Wells Nos. 1 and 8 located, respectively, in Units P and K of Section 9, Township 17 South, Range 30 East, Eddy County, New Mexico, and the promulgation of special rules therefor including provisions for the classification of oil and gas wells, oil and gas well spacing, and an unlimited gas-oil ratio.

Applicant further seeks authority to commingle in the well-bore of said Well No. 1 the Yates-Seven Rivers production from the newly created pool and the Grayburg-Jackson Pool and to commingle on the surface the Yates-Seven Rivers production from said Well No. 8 with production from the Grayburg-Jackson Pool.

CASE 4821: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception

(Case 4821 continued from Page 3)

to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Pennsylvanian Pools in the wellbore of its State "BA" Well No. 8 located in Unit B of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4822: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its State "BA" Well No. 9 located 660 feet from the North line and 2310 feet from the East line of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico. Said well being nearer than 660 feet to another well capable of producing from the same pool.

CASE 4823: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its A. B. Coates "C" Well No. 28 located 1820 feet from the North and West lines of Section 24, Township 25 South, Range 37 East, Justis Blinebry Pool, Lea County, New Mexico. Said well being located nearer than 660 feet to another well capable of producing from the same pool.

CASE 4824: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its H. D. McKinley Well No. 11 located 760 feet from the North line and 550 feet from the East line of Section 30, Township 18 South, Range 38 East, Hobbs Grayburg-San Andres Pool, Lea County, New Mexico. Said well being nearer than 660 feet to another well capable of producing from the same pool.

CASE 4825: Application of Hanagan Petroleum Corporation for dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Catclaw Draw Unit Well No. 3 located in Unit D of Section 36, Township 21 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from an undesignated Strawn gas pool through tubing and from the Catclaw Draw-Morrow Gas Pool through the casing-tubing annulus.

CASE 4826: Application of Hanagan Petroleum Corporation for pool creation, special pool rules, and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn gas pool for its well located 920 feet from the North and West lines of Section 36, Township 21 South, Range 25 East, Eddy County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing units. Applicant further seeks approval of an unorthodox location for the above-described well.

CASE 4827: Application of Robert N. Enfield for an unorthodox location, Chavez County, New Mexico. Applicant, in the above-styled cause, seeks

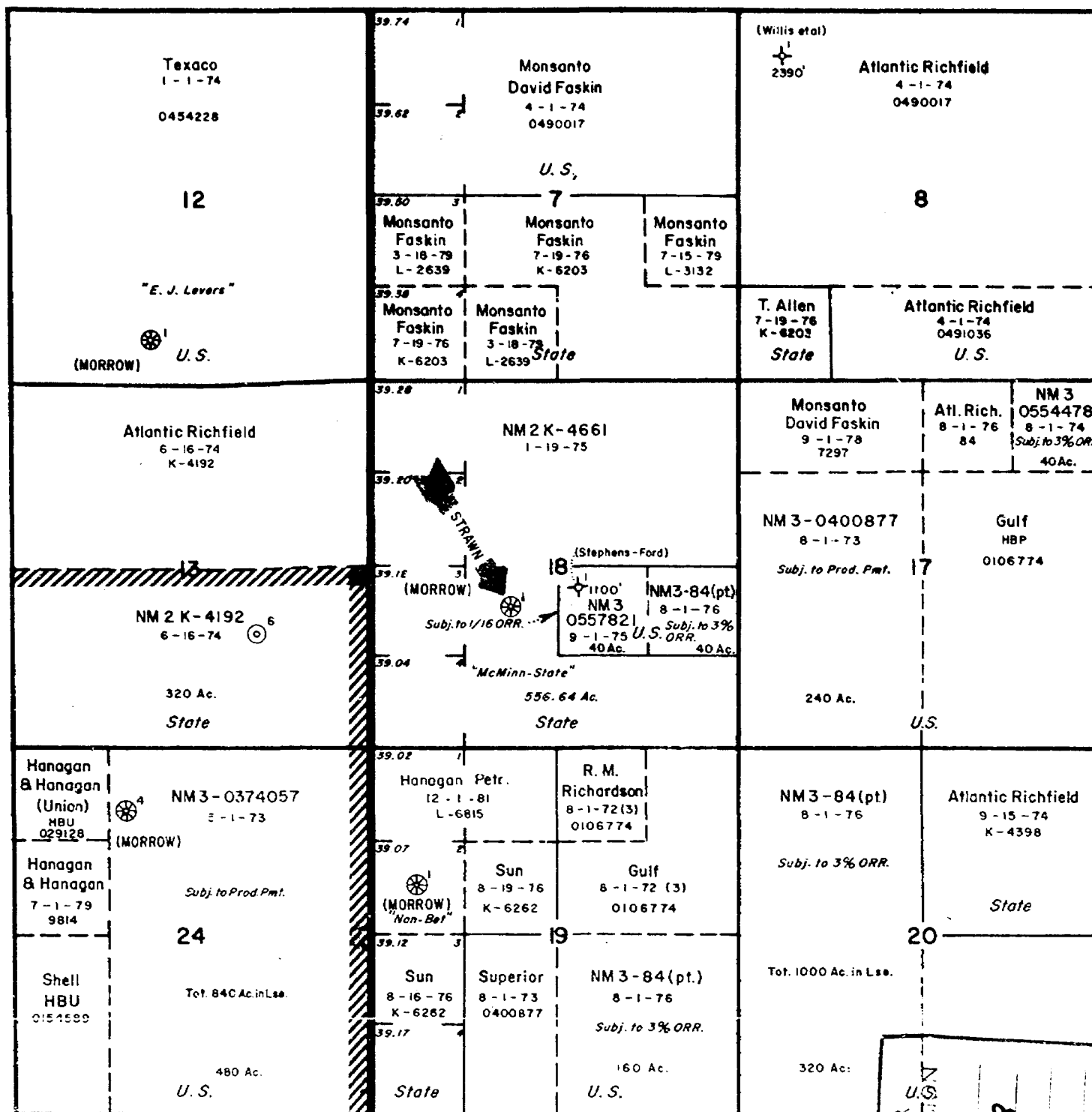
Examiner Hearing - Wednesday - September 13, 1972
-5-

Docket No. 20

(Case 4827 continued from Page 4)

authority to drill a gas well at an off-pattern unorthodox location 990 feet from the North and East lines of Section 11, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, with the E/2 of said Section 11 to be dedicated to the well.

CASE 4828: Application of Inexco Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the dual completion of its McMinn State Well No. 1 located 1980 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn formation and the Morrow formation adjacent to the Catclaw Draw-Morrow Gas Pool.

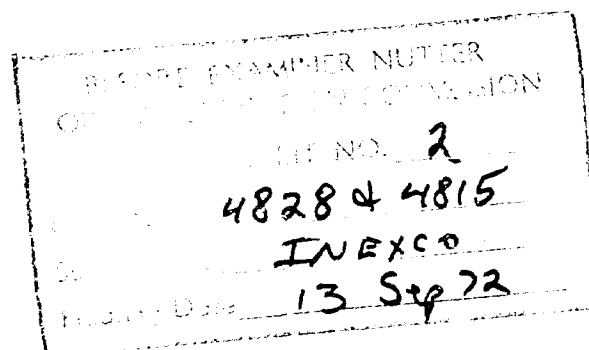


INEXCO OIL & GAS COMPANY
 NO. 1 MCMINN-STATE
 SECTION 18 T-21-S R-26-E
 EDDY COUNTY, NEW MEXICO
 SCALE: 1" = 2000'

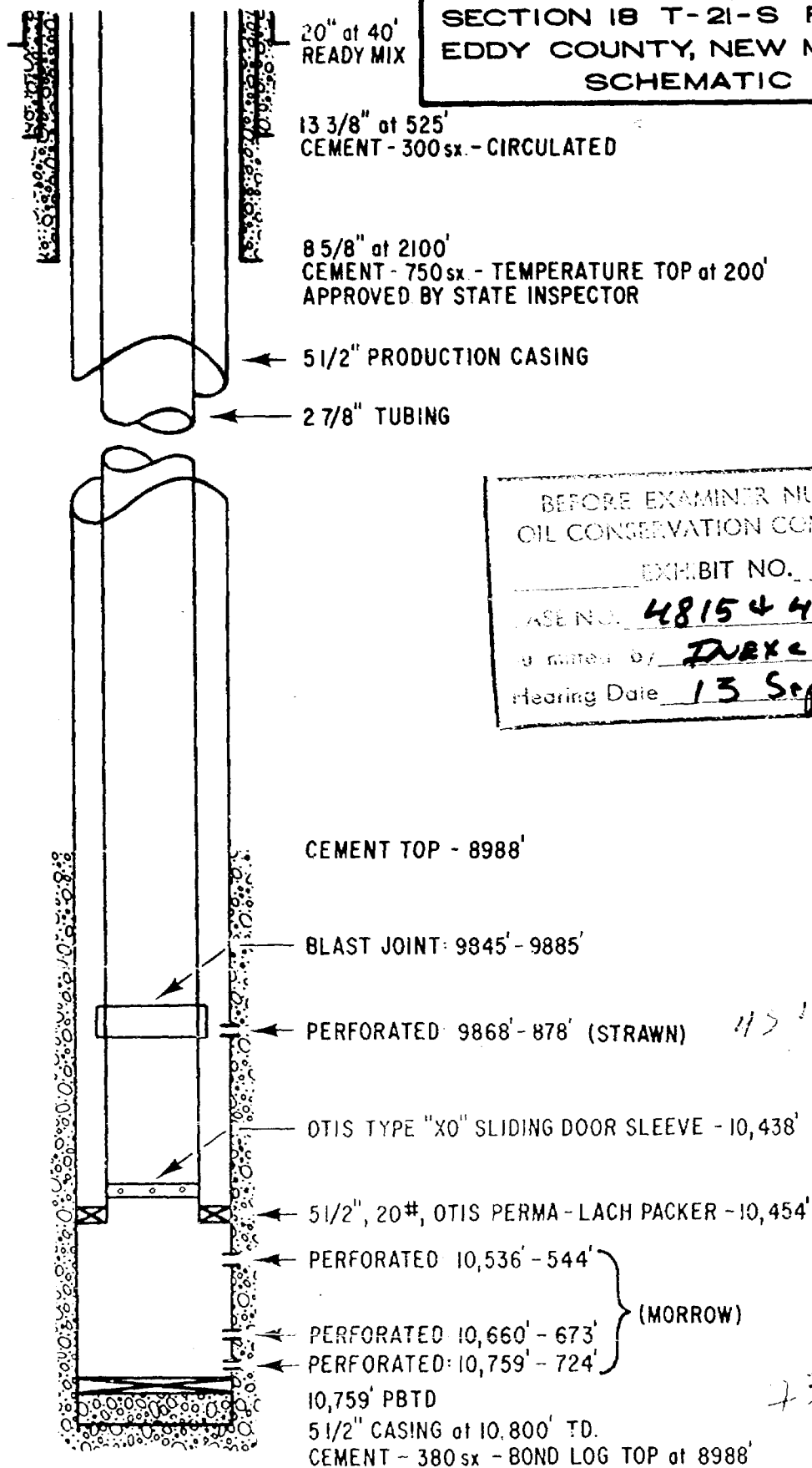
BEFORE ME
 NOTARY PUBLIC
 STATE OF NEW MEXICO
 BIT NO. 1
 CASE NO. 4815 + 4828
 Submitted by INEXCO
 Hearing Date 13 Sep 72

EXHIBIT
NEW MEXICO OIL CONSERVATION COMMISSION
CASE 4815
APPLICATION FOR POOL CREATION AND SPECIAL POOL RULES

Well Name: MC MINN STATE NO. 1
Location: 1980' FS&WL, Section 18, Township
21 South, Range 26 East, Eddy
County, New Mexico.
Producing Formation: Strawn
Producing Interval: 9868 to 9878
Reservoir Temperature: 176° F.
CAOF: 11.7 MMCFD
Porosity: 15.0%
Water Saturation: 22.5%
Bottom Hole Pressure: 4542
Well Cost: \$225,000
Estimated Reserves: 2,200 MMCF Gas, 14,000 bbls. Condensate
Compressability Factor: 0.905
Gas Price: 32 cents per MCF
Condensate: \$3.46 per barrel
Royalty: 12.5%
Taxes: 7 percent
Operating Cost: \$150/month
Producing Life: 10 years
Return on Investment: 1.637 to 1



INEXCO OIL & GAS COMPANY
NO. 1 MC MINN - STATE
SECTION 18 T-21-S R-26-E
EDDY COUNTY, NEW MEXICO
SCHEMATIC



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSIO

EXHIBIT NO. 3

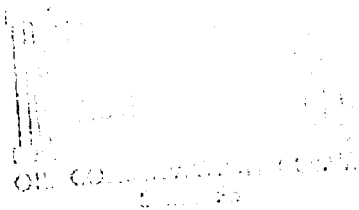
CASE NO. 481544828

submitted by INEXCO

Hearing Date 13 Sept 72

115112 PSI

7320 PSI



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

Case 41815

IN THE MATTER OF THE APPLICATION
OF INEXCO OIL COMPANY FOR THE
CREATION OF A NEW GAS POOL AND
FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now INEXCO OIL COMPANY, and applies to the Oil Conservation Commission of New Mexico for an order creating a new gas pool for the production of gas from the Strawn formation, Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant has completed a well located 1980 feet from the South line and 1980 feet from the West line of Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico.
2. Subject well is dually completed in the Catclaw Draw-Morrow gas pool and in an undesignated Strawn gas pool. A standard unit for the Catclaw Draw-Morrow gas pool is 640 acres.
3. Applicant proposes the creation of a new gas pool for the Strawn formation based on 640 acre spacing and proration unit.
4. Evidence presently available indicates that one well in this area will efficiently and economically drain and develop not less than 640 acres.
5. Applicant further seeks special rules and regulations providing for 640 acre well spacing and a 640 acre proration unit for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in

6-31-76

the pool.

6. A temporary order will allow applicant and all other operators in the subject pool to gather and develop additional information on the producing characteristics and capabilities of the subject pool.

WHEREFORE Applicant prays that the Commission set this application for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order creating a new gas pool for the Strawn formation in Eddy County, New Mexico, together with special temporary pool rules providing for 640 acre spacing and 640 acre proration units.

Respectfully submitted,

INEXCO OIL COMPANY

By W.F. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

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. 4815

Order No. R-

44005
R-4405

APPLICATION OF INEXCO OIL COMPANY
FOR POOL CREATION AND SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 13, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of September, 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, Inexco Oil Company, seeks the
creation of a new gas pool for Strawn production in Eddy County,
New Mexico, and the promulgation of special rules and regulations
governing said pool, including a provision for 640-acre spacing
units.

(3) That the Inexco Oil Company well located 1980 feet from the South line and 1980 feet from the West line of Section 18, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico, having its top perforations at 9868 feet, has discovered a separate common source of supply which should be designated the East Catelaw Draw - Strawn Gas Pool; that the vertical limits of said pool should be the Strawn formation ~~as found in the interval from _____ feet to _____ feet on the log of the aforesaid~~ _____ well, and that the horizontal limits of said pool should be all of said Section 18.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the East Catelaw Draw - Strawn Gas Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is

first obtained for a well in the East Catalaw Draw Strawn Gas Pool, at which time the operators in the subject pool should appear and show cause why the East Catalaw Draw Strawn Gas Pool should not be developed on 320-acre spacing units.

(8) That the first operator to obtain a pipeline connection for a well in the East Catalaw Draw Strawn Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production, is hereby created and designated the East Catalaw Draw Strawn Gas Pool, with vertical limits comprising the Strawn formation ~~as found in the interval from _____ feet to _____ feet on the log of the Inexco Oil Company well, located 1980 feet from the South line and 1980 feet from the West line of Section 18, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico,~~ and horizontal limits comprising the following-described area:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 18: All

(2) That temporary Special Rules and Regulations for the East Catalaw Draw Strawn Gas Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE

East Catalaw Draw Strawn Gas Pool

RULE 1. Each well completed or recompleted in the East Catalaw Draw Strawn Gas Pool or in the Strawn formation within one mile thereof, and not nearer to or within the limits of another designated Strawn gas pool, shall be spaced, drilled,

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CASE No. 4815
Order No. R-

operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Catlow Draw Strawn Gas Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before October 15, 1972.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the East Catlow Draw Strawn Gas Pool shall have dedicated thereto 640 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 640 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the East Catlow Draw - Strawn Gas Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the East Catlow Draw - Strawn Gas Pool, at which time the operators in the subject pool may appear and show cause why the East Catlow Draw - Strawn Gas Pool should not be developed on 320-acre spacing units.

(4) That the first operator to obtain a pipeline connection for a well in the East Catlow Draw - Strawn Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

(5) 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.

1982-1986: Application of FUND
 OF 1982. For 2 years, 1982-1986
 RATIO LIMITATION INCREASE.

280.7
 200.9
 12.9
 2.2
 4 | 485.1
 121.0

280.0
 200.0
 2 | 480.0
 240.0