

CASE 5020: Application of BELCO
FOR SPECIAL POOL RULES FOR SOUTH
SALT LAKE-MORROW GAS POOL, LEA CO

CASE No.

5020

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, July 11, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Belco
Petroleum Corporation
for special pool rules,
Lea County, New Mexico.

Case No. 5020

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: Call next Case 5020.

2 MR. CARR: Case 5020, application of Belco Petroleum
3 Corporation for special pool rules, Lea County, New
4 Mexico.

5 MR. NUTTER: Are there any appearances to be made
6 in Case Number 5020?

7 MR. KELLAHIN: Jason Kellahin, Santa Fe, appearing
8 for the applicant in this case. The case was advertised
9 on the basis in the absence of objection this pool will
10 be placed on 320-acre spacing rather than 160-acre spacing.
11 This would be in conformity with the provisions of the
12 Commission's Order R-2707 which made a basic finding to
13 the effect that one well completed in the Pennsylvanian
14 formation will efficiently and economically drain and
15 develop 320-acre spacing.

16 If there is no objection, we ask that the 320-acre
17 spacing be approved for the pool.

18 MR. NUTTER: Are there other appearances by any
19 other interested party in Case 5020? No other appearances?
20 The Examiner will recommend the adoption of 320-acre
21 spacing in the South Salt Lake-Morrow gas pool in
22 accordance with the advertised notice of this case.

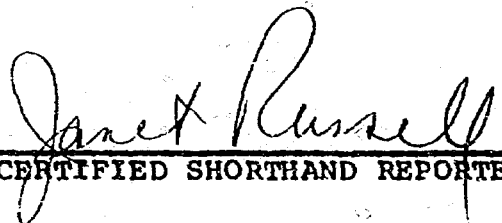
23 * * * * *

24

25

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

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

11 
 12 CERTIFIED SHORTHAND REPORTER

dearnley, meier & associates

210 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
 1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the Examiner hearing of Case No. 5020.
 25 heard by me on 7/11, 19 23.

 Examiner
 New Mexico Oil Conservation Commission



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**

July 24, 1973

Re: Case No. 5020
Order No. R-4600
Applicant:
Belco Petroleum Corp.

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

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 _____

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. 5020
Order No. R-4600

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR THE ADOPTION OF
POOL RULES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of July, 1973, 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, Belco Petroleum Corporation, is the owner and operator of certain gas wells in the South Salt Lake-Morrow Gas Pool, Lea County, New Mexico.

(3) That said South Salt Lake-Morrow Gas Pool was created and designated by the Commission by Order No. R-2101, effective November 1, 1961.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "...a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico,

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Case No. 5020
Order No. R-4600

inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the South Salt Lake-Morrow Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1973, each well completed or recompleted in the South Salt Lake-Morrow Gas Pool or in the Morrow formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Salt Lake-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well by August 15, 1973.

(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 South Salt Lake-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) 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. 5020
Order No. R-4600

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

Docket No. 19-73

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1973

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 Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves 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 August, 1973.

CASE 4749: (Reopened) (Continued from the June 6, 1973, Examiner Hearing)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 5019: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 14, Township 20 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled in an undesignated Morrow gas pool at a standard location in Unit K of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5020: Application of Belco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.

CASE 5021: Application of Mobil Oil Corporation for an unorthodox oil well location and special pool allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, Mescalero-Devonian Pool,

(Case 5021 continued from page 1)

Lea County, New Mexico. Applicant further seeks the assignment of a special depth bracket allowable for said pool of 604 barrels of oil per day.

CASE 5022: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Rule 104, authority to produce its Mexico "L" Wells Nos. 1 and 23 located less than 330 feet from each other in Unit A of Section 5, Township 25 South, Range 38 East, and its Mexico "J" Wells Nos. 2 and 23 located less than 330 feet from each other in Unit O in Section 32, Township 24 South, Range 38 East, and its Mexico "J" Wells Nos. 4 and 17 located less than 330 feet from each other in Unit N of said Section 32, all in the Dollarhide-Fusselman Pool, Lea County, New Mexico, each 40-acre unit being limited to one top unit allowable.

CASE 5023: Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Upper and Lower San Andres formations through perforations in the intervals from 4207 feet to 4418 feet and from 4676 to 4849 feet in its Hobbs "T" Well No. 11 located in Unit P of Section 33, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5024: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cottonwood Spring Unit Area comprising 3838 acres, more or less, of federal and fee lands in Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5025: Application of The Superior Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Seven Rivers gas and Lower Seven Rivers oil in the wellbore of its State "12" Well No. 1 located in Unit L of Section 12, Township 21 South, Range 35 East, Eumont Pool, Lea County, New Mexico. Said well was authorized as a gas-oil dual completion in the Eumont Pool by Commission Order DC-142.

CASE 5026: Application of The Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, Strawn and Canyon formations underlying the N/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 150 percent charge for risk involved in drilling said well.

CASE 5027: Application of Dalport Oil Corporation for the amendment of Order No. R-4553, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4553 to provide that the well to be drilled on the proration unit pooled by said order shall be located in Unit G of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, rather than Unit J of said Section 17. In the absence of objection, Order No. R-4553 will be amended as above.

CASE 5015: (Continued and Readvertised)

Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Pennsylvanian formation underlying Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to form a standard 640-acre unit for said pool, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5010: (Continued from the June 27, 1973, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5012: (Continued from the June 27, 1973, Examiner Hearing)

Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

June 12, 1973

Case 5020

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed, in triplicate, is the application
of Belco Petroleum Corporation, for the adoption
of pool rules for the South Salt Lake-Morrow Gas
Pool, Lea County, New Mexico.

It is requested that this application be set
for hearing at the July 11 session of the Commission.

Very truly yours,

Jason W. Kellahin
Jason W. Kellahin

JWK:ks

Enclosure

DOCKET MAILED

Date 6-28-73

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BELCO PETROLEUM CORPORATION
FOR ADOPTION OF POOL RULES,
SOUTH SALT LAKE-MORROW GAS POOL,
LEA COUNTY, NEW MEXICO.

Case 5-020

A P P L I C A T I O N

COMES NOW BELCO PETROLEUM CORPORATION and applies to the Oil Conservation Commission of New Mexico for the adoption of pool rules for the development and operation of the South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, including a provision for 320 acres spacing and proration units, and in support thereof would show the Commission:

1. The South Salt Lake-Morrow Gas Pool was created by Commission Order No. R-2101, entered November 1, 1961.

2. Subsequent thereto the Commission adopted an order amending its Rule 104 to provide that gas wells drilled to a formation of Pennsylvanian age or older shall be drilled on spacing and proration units of 320 acres, unless they are in a pool established prior to June 1, 1964, which pools remained on spacing and proration units of 160 acres.

3. The South Salt Lake-Morrow Gas pool is presently developed on a spacing pattern which will lend itself readily to 320-acre spacing.

4. Applicant is the owner and operator of the Bass Federal Well No. 1, located in Section 30, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, which well is within one mile of the exterior boundaries of the South Salt Lake-Morrow Gas Pool, and is required to be spaced and operated in accordance with the rules for said pool.

5. One well will efficiently and economically drain and develop a unit of not less than 320 acres in the South Salt Lake-Morrow Gas Pool, and drilling on units of 160 acres will result in waste.

6. Correlative rights will not be impaired by the approval of this application.

WHEREFORE applicant prays that this application be set 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 adopting pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320 acre spacing and proration units, and for such other and further provisions as may be proper.

Respectfully submitted,

BELCO PETROLEUM CORPORATION

By

KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

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. 5020

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR THE ADOPTION OF
POOL RULES, LEA COUNTY, NEW
MEXICO.

Order No. R- 4600

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 1973, 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, Belco Petroleum Corporation, is the
owner and operator of certain gas wells in the South Salt Lake-
Morrow Gas Pool, Lea County, New Mexico.

(3) That said South Salt Lake-Morrow Gas Pool was created and designated by the Commission by Order No. R-2101, effective November 1, 1961.

(4) That by Commission Order No. R-2707, dated May 25, 1964, Rule 104 of the Commission Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "...a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case and no objection was received to the inclusion of the South Salt Lake-Morrow Gas Pool under the provisions of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, *and should be approved.*

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1973, each well completed or recompleted in the South Salt Lake-Morrow Gas Pool or in the Morrow formation within one mile thereof shall be subject to the provisions of Rule 104 of the Commission Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Salt Lake-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well by August 15, 1973.

(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 South Salt Lake-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Commission Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) 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.

DRAFT

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 BELCO
PETROLEUM CORPORATION
FOR THE ADOPTION OF
POOL RULES, LEA COUNTY,
NEW MEXICO

CASE NO. 5020

Order No. R-

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on , 19 ,
at Santa Fe, New Mexico, before Examiner .

NOW, on this day of , 19 , 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, Belco Petroleum Corporation,
is the owner and operator of certain gas wells in the
South Salt Lake-Morrow Gas Pool, Lea County, New
Mexico.

(3) That said South Salt Lake-Morrow Gas
Pool was created and designated by the Commission
by Order No. R-2101, ^{effective} ~~dated~~ November 1, 1961.

(4) That by Commission Order No. R-2107, ^{dated May 25, 1964},
Rule 104 of the Commission Rules and Regulations
was amended to provide that all ~~hydrocarbon~~ gas
gas pools of Pennsylvanian age or older in
Southeast New Mexico which were created and defined

June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as ~~it~~ it was found that ~~a gas well~~ in Southeast New Mexico, ...
"a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearance ^{and no} were made at the hearing of the instant case ~~nor~~ ^{and no} objection was received to the inclusion of the South ~~Morrow~~ Salt Lake-Morrow Gas Pool under the provision of Rule 104 of the Commission Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That ~~the adoption of~~ one well in the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, will efficiently and economically drain and develop ~~to~~ 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for ^{page of} Pennsylvanian age or older will not come within nor violate proration rights.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1973, each well com-
^{or recompleted} pleted in the South Salt Lake-Morrow
Gas Pool or in the Morrow formation within one
mile thereof shall be subject to the
provisions of Rule 104 of the Commission
Rules and Regulations notwithstanding
the fact said pool was created and defined
prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently
drilling to or completed in the South Salt
Lake-Morrow Gas Pool or in the Morrow formation
within one mile thereof are hereby approved;
that the operator of any well having an
unorthodox location shall notify the Hobbs
District Office of the Commission in writing
of the name and location of the well by
August 15, 1973.

(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 South Salt
 Lake-Morrow Gas Pool shall have dedicated
 thereto 320 acres in accordance with Rule 104
 of the Commission Rules and Regulations; or pur-
 suant to Paragraph C. of said Section
 65-3-14.5, existing wells may have non-
 standard units dedicated thereto.

Failure to file new Form C-102 with the
 Commission dedicating 320 acres to a well or
 to obtain a non-standard unit approved
 by the Commission within 60 days from the
 effective date of this order shall subject the well
 to cancellation of allowance
 & that injunction etc.