

Case No.

7347

Application

Transcripts.

Small Exhibits

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
7 October 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for an unorthodox gas well location,
Lea County, New Mexico.

CASE
7347

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. NUTTER: Call next Case Number 7347.

MR. PEARCE: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico.

MR. NUTTER: This case was originally heard on September 9th and was readvertised to change the formations for which the well is to be dedicated.

We'll reopen it at this time. Are there any appearances in Case Number 7347?

We'll take the case under advisement.

(Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7442 heard by me on 12/7 1981.

[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD C.S.R.

Rt. 1 Box 197-E
Santa Fe, New Mexico 87501
Phone (505) 433-7309

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

7 October 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Tansboro Oil Company
for an independent oilwell lease.
New Mexico, New Mexico.

BEFORE: Daniel S. Rutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

1 MR. NUTTER: Call next Case Number 7347.

2 MR. PEARCE: Application of Tenneco Oil
3 Company for an unorthodox gas well location, Lea County, New
4 Mexico.
5

6 MR. NUTTER: This case was originally
7 heard on September 9th and was readvertised to change the
8 formations for which the well is to be dedicated.

9 We'll reopen it at this time. Are there
10 any appearances in Case Number 7347?

11 We'll take the case under advisement.

12
13 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. ~~8275~~ 7347 heard by me on 6/7 1951.

[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
El. 1 Dec 1948
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7347
Order No. R-6001

APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 7, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks approval of an unorthodox gas well location 660 feet from the South line and 860 feet from the West line of Section 20, Township 16 South, Range 34 East, NMPN, to test the Pennsylvanian formation, Kennitz Field, Lea County, New Mexico.

(3) That the W/2 of said Section 20 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 7347

UPPER NO. W-5501

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 660 feet from the South line and 860 feet from the West line of Section 20, Township 16 South, Range 34 East, NMPH, Kennitz Field, Lea County, New Mexico.

(2) That the W/2 of said Section 20 shall be dedicated to the above-described well.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

SEAL

fd/

Dockets Nos. 29-81 and 30-81 are tentatively set for September 23 and October 7, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 9, 1981

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

The following cases will be heard before Daniel E. Mutton, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7341: Application of Superior Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad Strawn and Morrow production in the wellbore of its Collett State Com Well No. 1 located in Unit J of Section 1, Township 23 South, Range 26 East.
- CASE 7342: Application of Arco Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its State 367 Well No. 2 located in Unit L of Section 36 and its Roy Barton Well No. 2 located in Unit B of Section 23, both in Township 21 South, Range 37 East.
- CASE 7343: Application of CARLSON FOUR CORNERS, INC. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha Gallup - Oil Pool underlying the E/2 NW/4 of Section 18, Township 29 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7344: Application of Read & Stevens, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 19, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7345: Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Lovington Penn Pool underlying the W/2 NE/4 of Section 13, Township 16 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7346: Application of Cibola Energy Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Devonian formations underlying the W/2 of Section 15, Township 10 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7347: Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South Line and 860 feet from the West Line of Section 20, Township 16 South, Range 34 East, Kemnitz-Morrow Gas Pool, the W/2 of said Section 20 to be dedicated to the well.

CASE 7348: Application of Apollo Oil Company for salt water disposal, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8834 feet to 8968 feet in its Lovington State 3 Well No. 2 in Unit N of Section 9, Township 17 South, Range 37 East, Midway-Abo Pool.

CASE 7349: Application of Apollo Oil Company for salt water disposal, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough C Formation in the interval from 9645 feet to 9654 feet in its Jack Markham Well No. 2 in Unit P of Section 11, Township 9 South, Range 35 East, Bough-Permian Pennsylvanian Pool.

CASE 7350: Application of Conoco, Inc. for salt water disposal, Eddy County, New Mexico.
Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the interval from 8144 feet to 8160 feet in its Levers Federal Well No. 2 in Unit R of Section 2, Township 20 South, Range 25 East, Springs-Upper Penn Gas Pool.

CASE 7351: Application of Mid-America Petroleum, Inc. for compulsory pooling and the rescission of Order No. R-6722, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the W/2 of Section 12, Township 23 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Applicant further seeks rescission of Order No. R-6722 which approved an unorthodox location for the subject well based on dedication of the S/2 of said Section 12.

CASE 7352: Application of Yates Petroleum Corporation for designation of a tight formation, Eddy County, New Mexico.
Applicant, in the above-styled cause, pursuant to Section 107 of the Natural Gas Policy Act 18 - CFR Section 271.701-705, seeks the designation as a tight formation of the Permian-Penn and formation underlying all of the following townships:

Township 17 South, Ranges 24 thru
26 East;

18 South, 24 and 25 East;

19 South, 23 thru 25 East;

20 South, 21 thru 24 East;

20 1/2 South, 21 and 22 East;

21 South, 21 and 22 East;

Also Sections 1 thru 12 in
22 South, 21 and 22 East,

All of the above containing a total of 315,000 acres more or less.

Docket No. 28-31

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 16, 1981

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for October, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for October, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

Dockets Nos. 33-81 and 34-81 are tentatively set for October 21 and November 4, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - OCTOBER 5, 1981

OIL CONSERVATION COMMISSION - 9 A.M.
ROOM 205, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 7372: Application of Navajo Refining Company for a determination of preference to purchase state royalty oil pursuant to Section 19-10-68, NMSA, 1978.

Docket No. 32-81

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 7, 1981

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

The following cases will be heard before Daniel S. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7363:** Application of Gulf Oil Corporation for a unit agreement, Chavez County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East White Ranch Unit Area, comprising 1920 acres, more or less, of Federal lands in Township 13 South, Range 30 East.
- CASE 7364:** Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Chosa Draw Unit Area comprising 5120 acres, more or less, of Federal and State lands in Township 25 South, Range 25 East.
- CASE 7365:** Application of Yates Petroleum Corporation for the amendment of Order R-6406, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6406, to permit recompletion of its State "JM" No. 2 Well, drilled at an unorthodox Morrow location 660 feet from the South line and 660 feet from the East line of said Section 25, Township 18 South, Range 24 East, in any and all Wolfcamp and Pennsylvanian pays in said well.
- CASE 7354:** (Continued from the September 23, 1981, Examiner Hearing)
Application of Corona Oil Company, for a pilot steam-enhanced oil recovery project, Guadalupe County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot steam-enhanced oil recovery project in the Santa Rosa formation by using two existing wells and three additional wells to be drilled to complete a five spot pattern located in the NE/4 NW/4 of Section 17, Township 11 North, Range 26 East.
- CASE 7352:** (Continued from the September 23, 1981 Examiner Hearing)
Application of Energy Reserves Group for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks creation of a new Cisco gas pool for its Miller Com Well No. 1, located in Unit M of Section 12, Township 6 South, Range 33 East. Applicant further seeks approval of an unorthodox location for its Miller "A" Well No. 1-Y, to be drilled 1800 feet from the South line and 1700 feet from the East line of Section 11 of the same township. The S/2 of said Section 11 to be dedicated to the well.
- CASE 7366:** Application of Read & Stevens, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn, Atoka and Morrow formations underlying the W/2 of Section 19, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7367:** Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the N/2 of Section 12, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7368: Application of Doyle Hartman for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 990 feet from the West line of Section 17, Township 24 South, Range 37 East, Jalmat Gas Pool, the S/2 of said Section 17 to be dedicated to the well.

CASE 7369: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blinbry and Drinkard formations underlying the NW/4 SE/4 of Section 8, Township 20 South, Range 30 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7370: Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs and Fruitland formations, East Blanco Field, underlying the NW/4 of Section 35, Township 30 North, Range 4 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7023: (Suspended and Readvertised)

In the matter of case 7023 being referred pursuant to the provisions of Order No. 8-6889, which order created the Spruce-Pennsylvanian Pool and promulgated special rules therefor, including provisions for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 7347: (Continued and Readvertised)

Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Pennsylvanian location of a well to be drilled 660 feet from the South line and 860 feet from the West line of Section 20, Township 16 South, Range 34 East, Kewits Field, the W/2 of said Section 20 to be dedicated to the well.

CASE 7371: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, extending vertical limits, and contracting and extending horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Antelope Ridge-Wolfcamp Pool. The discovery well is Coquina Oil Corporation Alexander Well No. 1 located in Unit G of Section 10, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 10: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Brinninstool-Bone Spring Pool. The discovery well is Amoco Production Company State IK Well No. 1 located in Unit C of Section 10, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 10: NW/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Brinninstool-Wolfcamp Pool. The discovery well is Amoco Production Company Federal H Well No. 1 located in Unit L of Section 26, Township 23 South, Range 33 East, NMCM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMCM
Section 26: SE/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Collins Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation State DF Well No. 1 located in Unit D of Section 35, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 35: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Fairview Mills-Atoka Gas Pool. The discovery well is the Enscher Exploration, Inc. T. G. Bates Well No. 1 located in Unit G of Section 14, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 14: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Gam-Wolfcamp Pool. The discovery well is the Amoco Production Company Federal AM Well No. 1 located in Unit E of Section 26, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 26: NW/4

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Hardy-Tubb Pool. The discovery well is the Conoco Inc. State F Well No. 1 located in Unit V of Section 1, Township 21 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 1: SE/4

(h) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Moriah-Upper Pennsylvanian Gas Pool. The discovery well is the Tom L. Ingram Moriah Well No. 2 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(i) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Moriah-Atoka Gas Pool. The discovery well is the Tom L. Ingram Moriah Well No. 1 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(j) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the West Reeves-Queen Gas Pool. The discovery well is the Collier Energy, Inc. Mesa State Well No. 1 located in Unit F of Section 20, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

(k) CONTRACT the Cato-San Andres Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4 SE/4

(l) CONTRACT the East Weir-Blinbry Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: N/2 N/2
Section 8: N/2 N/2
Section 9: W/2 NW/4

(m) EXTEND the vertical limits of the Cave-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation and redesignate said pool as the Cave-Grayburg-San Andres Pool.

(n) EXTEND the Antelope Sink-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 4: E/2

- (o) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPH
Section 27: S/2 NE/4, S/2 NW/4, N/2 SE/4
and N/2 SW/4

- (p) EXTEND the Bawn-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPH
Section 23: SW/4

- (q) EXTEND the Blinsby Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPH
Section 14: SW/4

- (r) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPH
Section 34: W/2

- (s) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPH
Section 12: NE/4 SW/4 and E/2 NW/4

- (t) EXTEND the East Crossroads-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPH
Section 7: All

- (u) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPH
Section 25: E/2
Section 36: E/2

- (v) EXTEND the Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPH
Section 15: W/2

- (w) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPH
Section 27: N/2 SE/4

- (x) EXTEND the D-K Abo pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPH
Section 31: NW/4

- (y) EXTEND the Hecow Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPH
Section 16: E/2
Section 20: N/2

- (z) EXTEND the East Hightower-Upper Pennsylvanian Pool in Lea County, New Mexico to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPH
Section 31: NE/4 and E/2 NW/4

- (aa) EXTEND the Imperial-Tubb Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPH
Section 27: NW/4

(bb) EXTEND the Jalmat-Yates-Seven Rivers Pool in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NNPM
Section 15: NE/4

(cc) EXTEND the Kamnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NNPM
Section 9: N/2

(dd) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NNPM
Section 29: NW/4

(ee) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NNPM
Section 5: S/2
Section 8: N/2
Section 9: N/2

(ff) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NNPM
Section 18: NW/4

(gg) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NNPM
Section 15: N/2

(hh) EXTEND the Midway-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NNPM
Section 8: NW/4

(ii) EXTEND the West Milnesand-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NNPM
Section 17: SE/4

(jj) EXTEND the Pensaco Draw-San Andres-Yesc Associated Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NNPM
Section 32: S/2 NE/4 and SE/4
Section 33: S/2 NW/4 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NNPM
Section 4: NW/4
Section 5: N/2 NE/4 and SE/4 NE/4

(kk) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NNPM
Section 19: N/2

(ll) EXTEND THE Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NNPM
Section 28: S/2

(mm) EXTEND the Rocky Arroyo-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NNPM
Section 9: SW/4
Section 16: NW/4

(nn) EXTEND the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 7: E/2
Section 18: N/2

(oo) EXTEND the West Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 32: N/2

(pp) REDESIGNATE the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to the Sand Ranch-Morrow Gas Pool, as said pool is producing from the Morrow formation rather than the Atoka, and EXTEND the horizontal limits of said pool to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 14: S/2

(q) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 6: SE/4
Section 7: E/2

(rr) EXTEND the Sawyer-San Andres Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 7: SW/4

(ss) EXTEND the Spencer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 23: SE/4

(tt) EXTEND the Tomahawk-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 36: NW/4

(uu) EXTEND the Tow-Tow-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: S/2 SW/4
Section 8: N/2 NW/4

(vv) EXTEND the Tonto-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 27: E/2

(ww) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 3: S/2

(xx) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4

(yy) EXTEND the North Young-Bore Spring Pool in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 10: NE/4

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

9 September 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Tenneco Oil Company
for an unorthodox gas well location,
Lea County, New Mexico.

CASE
7347

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

MICHAEL CLEMENSON

Direct Examination by Mr. Kellahin	4
Cross Examination by Mr. Nutter	9

E X H I B I T S

Applicant Exhibit One, Map	4
Applicant Exhibit Two, Cross Section	6

1 MR. NUTTER: Call next Case Number 7347.

2 MR. PEARCE: Application of Tenneco Oil
3 Company for an unorthodox gas well location, Lea County, New
4 Mexico.

5 MR. KELLAHIN: If the Examiner please,
6 I'm Tom Kellahin of Kellahin & Kellahin, Santa Fe, New
7 Mexico, appearing on behalf of the applicant, Tenneco Oil
8 Company, and I have one witness to be sworn.

9 (Witness sworn.)

10 MR. KELLAHIN: Mr. Nutter, as a prelimin-
11 ary matter, you'll note that the case is advertised for an
12 unorthodox location for the Kemnitz-Morrow Gas Pool.

13 In preparing the engineering for this
14 case, and the geology, it was determined that the primary
15 Pennsylvanian objective will be the Atoka. We would request
16 permission to present our case today and have the Division
17 readvertise this case to approve as an unorthodox location
18 any production from the Pennsylvanian formation.

19 This well will be drilled to the Morrow
20 but the prospects of a Morrow well are slim and the optimum
21 Pennsylvanian formation is probably the Atoka.

22 MR. NUTTER: We will so do, for the
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entire Pennsylvanian.

MR. KELLAHIN: Yes, sir.

MICHAEL CLEMENSON

being called as a witness and being duly sworn upon his oath,
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q All right, sir, would you please state
your name and occupation?

A Michael Clemenson, geological engineer.

Q Mr. Clemenson, have you previously testi-
fied before the Oil Conservation Division and had your qualifi-
cations as a petroleum engineer accepted and made a matter
of record?

A Yes, sir, I have.

MR. KELLAHIN: We tender Mr. Clemenson
as an expert petroleum engineer.

MR. NUTTER: He is qualified.

Q Mr. Clemenson, let me direct your atten-
tion to what we've marked as Tenneco Exhibit Number One, have
you identify that and tell me what Tenneco is seeking to ac-
complish.

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Exhibit Number One is a gross sand Iso-
lith map of the Atoka "B" Sand. Tenneco seeks approval for
an unorthodox location, located 660 feet from the south line
and 860 feet from the west line of Section 20, Township 16
South, Range 34 East, Lea County, New Mexico.

Q

That location is indicated on the plat
by the red dot?

A

Yes, sir, it is.

Q

All right, sir, and what is the proposed
unit that's to be assigned to the well?

A

The west half.

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All right. In what way, then, is the
location unorthodox?

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It's too far south.

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All right. Looking to the south, Mr.
Clemenson, who is the operator of that acreage to the south?

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Tenneco Oil Company.

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All right, sir, and in fact both Section
20 and a portion of Section 20 to the north, are all in the
same unit, are they not?

A

Yes, sir, they are.

Q

All right, and these are all State leases?

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Yes, sir, they are.

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All right, would you go ahead and identify

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2 for us any of the Atoka wells that -- in the area for which
3 you are pegging this location?

4 A The Atoka wells in the entire area on
5 this map are located, or designated with circles around them.
6 That's Atoka control.

7 Q All right, sir, and what are the other
8 well symbols on here?

9 A Shallower wells.

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11 identified on the plat?

12 A All the wells with circles on them have
13 also penetrated the Morrow.

14 Q All right. Do you have any more producing
15 wells in this area, Mr. Clemenson?

16 A In Section 7-- in Section 30, yeah, the
17 well recently logged in Section 30 will produce out of the
18 Morrow.

19 Q Okay, and who's the operator of that
20 well?

21 A Tenneco is.

22 Q All right, and where is that well in
23 Section 30?

24 A The west half of Section 30.

25 Q All right, sir. Would you describe

generally what you conclude from the information depicted on this Isopach map?

A This map was prepared by using gamma ray API gamma ray units, less than 50, and adding up the gross sand and geologically contouring on this map, which shows that the thickest part of the sand is located in the southeast part of Section 19 and the southwest part of Section 20, and is indicated on the map in Section 30 and 29.

Q Does structure play any importance in Atoka production?

A No, sir.

Q What is the correlation, if any, between the production from these Atoka wells and their -- and the number of gross sand present in that well?

A Gross sand, wells with the thicker amount of gross sand produce better.

The well in the east half of Section 30 has 25 feet of gross sand and it produces approximately 10-million cubic feet of gas per day.

The well in the west half of Section 24, the LF-29 No. 2, has 24 feet of sand and it produces 5 to 6-million cubic feet of gas per day.

And the well in the east half of Section 29, Tenneco Oil Company Kemnitz Deep Unit No. 1, has only 12

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2 feet of sand and it produces 2 to 3-million cubic feet of
3 gas per day.

4 Q In your opinion, Mr. Clemenson, is it
5 necessary to locate the well as proposed in order to be located
6 at an optimum location from which to drain this proration
7 unit?

8 A Yes, sir.

9 Q All right, let's go on to Exhibit Number
10 Two and have you identify that for us.

11 A Exhibit Number Two is a cross section.
12 It's marked on both maps. It shows that the thickest part
13 of the Atoka Sand lies on a line between the Tenneco Kemnitz
14 Deep Unit No. 1, the LF-29 No. 2, and the LF-30 No. 1.

15 It shows the thickness of the Atoka Sand
16 in these wells.

17 Q Where will your proposed location fall
18 in terms of the cross section?

19 A In terms of the cross section it will
20 fall in approximately the same location, located as the LF-
21 29 No. 2; expecting sand thickness to be that great or slightly
22 less.

23 Q All right, sir, is there anything else
24 you'd like to direct our attention to with regards to this
25 exhibit?

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2 A This exhibit shows that the sand shales
3 out as you go to the northwest and also as you go to the --
4 I mean northeast, rather, excuse me, northeast, and also as
5 you go to the west.

6 Q Mr. Clemenson, were these exhibits pre-
7 pared by you or prepared under your direction and supervision?

8 A Yes, sir.

9 Q And in your opinion will approval of this
10 application impair the correlative rights of any of the offset
11 interest owners?

12 A No, sir.

13 Q And will it prevent waste?

14 A Yes, sir, it will.

15 MR. KELLAHIN: That concludes our exam-
16 ination of Mr. Clemenson, and we move the introduction of
17 Exhibits One and Two.

18 MR. NUTTER: Exhibits One and Two will
19 be admitted in evidence.

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21 CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Now, Mr. Clemenson, you said that the
24 well in the southwest quarter of Section 30, that's the one
25 that's shown as a drilling location at the present time --

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Q That will be completed as a Morrow producer?

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A I'm not absolutely certain that it will be. We just logged it yesterday and had two very good Morrow sands in it.

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Q How about Atoka, will it be an Atoka well, also?

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A The Atoka Sand in that location was not as good as it was in these two other locations, the LF-31 and the 29-2.

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Q Well, would it fall under your contours there --

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A Yes, sir.

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Q -- between 10 and 20 feet?

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A Yes, sir, it does.

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Q I see, and now you mentioned also how much the well with the 25 feet of pay in Section 30 would make from the Atoka, and I'm not sure --

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A It is currently producing 10-million cubic feet of gas per day from the Atoka.

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Q And you'd expect your proposed location to yield you almost 20 feet of pay?

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2 MR. NUTTER: Are there any further ques-
3 tions of the witness?

4 MR. KELLAHIN: No, sir.

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10 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7347 heard by me on 7/7 1981.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

9 September 1981

EXAMINER HEARING

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9 Q And in your opinion will approval of this
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11 interest owners?

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Q -- between 10 and 20 feet?

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2 MR. NUTTER: Are there any further ques-
3 tions of the witness?

4 MR. WILLIAMS: No, sir.

5 MR. NUTTER: He may be excused.

6 Does anyone have anything they wish to
7 offer in Case NUMBER 7347?

8 We'll take the case under advisement.

9
10 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

RI. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7947 heard by me on 7/9 1981.

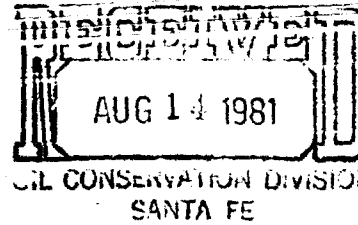
[Signature], Examiner
Oil Conservation Division

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Caspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

August 13, 1981



Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

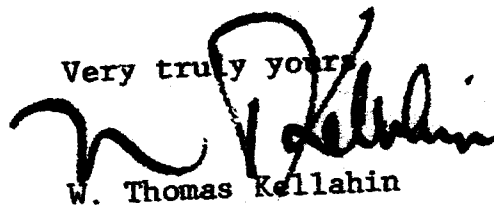
RE: Tenneco Oil Company

Case 7347

Dear Joe:

Please set the enclosed application for
the examiner hearing set for September 9, 1981.

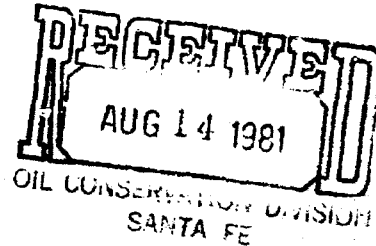
Very truly yours,


W. Thomas Kellahin

WTK:jm
Enclosure
cc: Mr. David Motloch

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO.



Case 7347

A P P L I C A T I O N

COMES NOW TENNECO OIL COMPANY, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for authority to drill a Morrow well at an unorthodox well location 860 feet from the West line and 660 feet from the South line of Section 20, T16S, R34E, NMPM, Lea County New Mexico and in support thereof would show:

1. Applicant is the owner of the right to drill on the W/2 of Section 20, T16S, R34E, NMPM and proposes to drill a Morrow test in said spacing and proration unit and thereafter to dedicate the W/2 of said Section 20 to the subject well.
2. Applicant proposes to locate the subject well 860 feet from the West line and 660 feet from the South line of said Section 20 which would be an unorthodox well location.
3. Said spacing and proration unit is within one mile of the Kemnitz-Morrow Gas Pool, Lea County New Mexico.
4. Said location is more advantageous for drilling a Morrow test than an orthodox location, will not impair correlative rights, will prevent waste and could result in the production of hydrocarbons that might not otherwise be produced.

WHEREFORE, applicant respectfully requests that this matter be set for an Examiner Hearing and that after notice and the application be granted as requested.

KELLAHIN & KELLAHIN

By



W. Thomas Kellahin

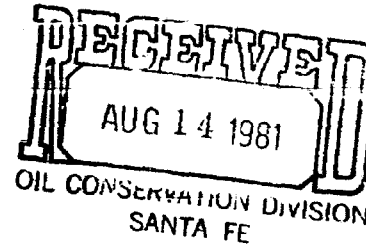
P.O. Box 1769

Santa Fe, New Mexico 87501

(505) 982-4285

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO.

Case 7347

A P P L I C A T I O N

COMES NOW TENNECO OIL COMPANY, by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for authority to drill a Morrow well at an unorthodox well location 860 feet from the West line and 660 feet from the South line of Section 20, T16S, R34E, NMPM, Lea County New Mexico and in support thereof would show:

1. Applicant is the owner of the right to drill on the W/2 of Section 20, T16S, R34E, NMPM and proposes to drill a Morrow test in said spacing and proration unit and thereafter to dedicate the W/2 of said Section 20 to the subject well.
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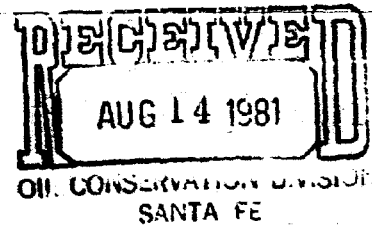
Santa Fe, New Mexico 87501

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ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF TENNECO OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION, LEA
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A P P L I C A T I O N

Case 7347

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3. Said spacing and proration unit is within one mile of the Kemnitz-Morrow Gas Pool, Lea County New Mexico.
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WHEREFORE, applicant respectfully requests that this matter be set for an Examiner Hearing and that after notice and the application be granted as requested.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 8750
(505) 982-4285

ATTORNEYS FOR APPLICANT

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7347

ORDER NO. R- 6801

APPLICATION OF TENNECO OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA
 COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

Bell
This cause came on for hearing at 9 a.m. on October 7,
September 9,
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.
NOW, on this day of October
September, 1981, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Tenneco Oil Company,
seeks approval of an unorthodox gas well location 660
feet from the South line and 860 feet from the
West line of Section 20, Township 16 South
Range 34 East, NMPM, to test the Pennsylvanian
Horizon formation, Kemnitz Horizon Gas Field, Pool, Lea
County, New Mexico.

(3) That the W/2 of said Section 20 is to be
dedicated to the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.

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Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 gas well location for the Pennsylvanian
Morrow
formation is hereby approved for a well to be located at a point 660
feet from the South line and 860 feet from the West
line of Section 20, Township 16 South, Range 34 East
NMPH, Kemnitz ~~Morrow~~ Field Pool, Lea County,
New Mexico.

(2) That the W/2 of said Section 20 shall be dedicated to the above-described well.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.