

CASE 5466: Application of MARK
PRODUCTION CO. for an unorthodox
gas well location, Eddy County

CASE No.

5466

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 30, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Mark Production
Company for an unorthodox gas
well location, Eddy County,
New Mexico.

CASE NO. 5466

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

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

CASE 5466
Page.....2.....

I N D E X

PAGE

CURTIS W. MEWBOURNE

Direct Examination by Mr. Kellahin
Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant's Exhibits Nos. 1 through 5

2

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

MR. STAMETS: Case 5466.

MR. CARR: Case 5466. Application of Mark Production Company for an unorthodox gas-well location, Eddy County, New Mexico.

MR. STAMETS: We call for appearances in this case.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, appearing on behalf of the Applicant, Mark Production Company, and I have one witness to be sworn.

(Witness sworn.)

CURTIS W. MEWBOURNE

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you are employed and in what capacity?

A My name is Curtis W. Mewbourne. I am a petroleum engineer and I am also President of Mark Production Company.

Q Mr. Mewbourne, have you previously testified before this Commission and had your qualifications accepted and made a matter of record?

A Yes, I have.

Q Are you familiar with the facts surrounding this

MEWBOURNE-DIRECT

particular Application?

A I am.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MR. STAMETS: They are.

BY MR. KELLAHIN:

Q Would you please refer to what has been marked as Applicant's Exhibit No. 1, identify it and state briefly what Mark Production Company is seeking?

A Exhibit 1 is a lease plat of the subject area setting out a proration unit of the west half of Section 1, 18 South, 26 East, Eddy County, New Mexico. We are seeking an unorthodox well location for the proposed No. 1 Spencer Communitized at a proposed location 1980 feet from the west line and 1650 feet from the south line, the proration unit to be 320 acres in the west half of Section 1.

Q If you will refer to Exhibit No. 2, I think it will be easier to identify the wells and their locations. Would you show the intended proration unit and your proposed location on Exhibit 2?

A Exhibit 2 is a geological map of the area. The structure is drawn upon the top of the Atoka with an isopach of the Morrow East Sand overlain upon the structure. The

MEWBOURNE-DIRECT

Morrow East Sand isopach is indicated in the green shaded areas. The wells colored in orange are completed in the sand. In the west half of Section 1, colored yellow, is the proposed location of the No. 1 Spencer, 1980 feet from the west line and 1650 feet from the south line.

Q Why is this proposed location unorthodox?

A The spacing in the Atoka-Penn Pool called for 990 from the corners. The location would be in the northwest quarter of Section 1. It provided further for the southeast and northwest quarters for normal spacing, the Atoka being one of the older spacing orders in the State. At this particular location, the Morrow is a very risky location. The location proposed, being 1980 and 1650, would more properly drain the spacing unit and provide the optimum well location to recover the hydrocarbons.

Q Would you identify for us the operators in the surrounding wells?

A Yes. To the west of the proration unit in Section 2, David Fasken operates two wells, both completed in the Morrow A-Sand. Both wells are located on unorthodox locations similar to the one requested here. This operator is also a joint interest party to the proposed well. Also, in Section 35 to the north, a dry hole was recently drilled

by David Fasken also on a 1980-1650 exception to the spacing rules. This well did not encounter any Morrow Sand and was plugged as a dry hole which correlates with other wells on the northern end of this structure showing no Morrow Sand, pinching the sand out going north, making the orthodox location a very very risky one.

Q Who is the operator of the well located in the east half of Section 1?

A Mark Production Company operates the No. 1 Federal B, located in the proration unit in the east half of Section 1.

Q Who is the operator of the two wells in Section 12?

A Philmont Oil Corporation operates those two wells, Philmont being also the operator of the well in the west half of Section 11, drilled upon an unorthodox location to the Atoka Field.

Q Who is the operator of the well located in the east half of Section 11?

A Mobile Oil Corporation.

Q Would you please refer to the photograph that has been marked as Exhibit 3 and explain what it purports to show?

A This area borders the Pecos River and underwent

MEWBOURNE-DIRECT

severe flooding two years ago. The rig in the rear of the photograph is on the Mark Production Company No. 1 Federal B. The Pecos River overflowed its banks and has remained out of its banks to date.

Q How long a period has that been, Mr. Mewbourne?

A It has been approximately a year and a half.

The area is still characterized as a lake. The open area that you see leading toward the rig has been built up into a road or dike area to service this area. It is used to get personnel in and out of the No. 1 Federal B. The location requested here will follow immediately on the north side of this road, making it the only practical surface location to drill this. The location 990 from the northwest corner would fall in a lake in these cedar trees to the north of this road, being physically impossible to drill at the current time.

Q Did you take that photograph?

A I did, yes, as well as the --

Q (Interrupting) Explain what Exhibit 4 purports to show?

A It is the same area taken from further to the west as you come out of the lake and that is the location of the David Fasken Well in Section 2. You can see that

once again, a cleared area leading toward the Mark Production No. 1 Federal B, but it has been built up into a road and service area. You can also see the cedars, to both the north and south of the road, are still covered by water.

Q Your proposed unorthodox well location in Section 1 would be along that dike or roadway?

A It would. It would be just north of the road and could be serviced by this area, by this road, being the only location in the area that it would be possible to get into. It is a pretty bad surface area.

Q The standard location for the proration unit in the west half of Section 1, would that standard location be above or below water?

A It would be below water level there at times. It would be physically impossible to drill it.

Q In your opinion, then, from a topographical point of view, the proposed unorthodox well location in the west half of Section 1 is the only drill site?

A Yes, it is.

Q From a geological standpoint, in your opinion, the unorthodox location is the most optimum from a geological point of view?

A Yes, it is. It is the best location to drain the

proposed spacing unit.

Q Please refer to Exhibit No. 5, I believe it is, and identify it?

A It is authority for expenditure, setting out the estimated well cost for the No. 1 Spencer, being a total of \$393,368 for a completed well. This authority for expenditure has been sent to the other parties to this well. Many are offset operators, being Yates Petroleum, David Fasken, and they have approved.

Q Were Exhibits 1 through 5 either prepared by you directly or under your direction and supervision?

A Yes, sir, they were.

Q In your opinion, Mr. Mewbourne, will the granting of this Application be in the best interest of conservation and prevention of waste and the protection of correlative rights?

A It most assuredly would.

MR. KELLAHIN: That concludes our direct examination, and we move the introduction of Exhibits 1 through 5.

MR. STAMETS: Exhibits 1 through 5 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification, and were offered and admitted into evidence.)

MEWBOURNE-CROSS

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Mewbourne, the Morrow A-Sand is target sand for this well?

A Yes, sir, it is.

Q Now, referring to the cross section which is Exhibit No. 2, we look in the northern half of Section 1. As you have drawn a cut-off line here for the A-Sand that dips down and indicates that roughly the north half of the west half would be dry, but let me go ahead with my question. Could you have easily drawn that line through, say, the north line of the section?

A Yes, sir. It is an arbitrary line and it involves quite a bit of interpretation. The basis for it, in well thicknesses, in Section 2 to the west and Section 35 to the northwest, you see a grading, 30 feet of A-Sand in the southernmost well in 2, to 18 feet to zero, and someplace between the northernmost well in 2, having 18 feet and the well in 35 having zero, it grades out completely. It is arbitrarily drawn. It could be drawn as easily right along the north side of the section.

Q You are locating between a well with 30 feet in Section 2 and a well with 40 feet in Section 1?

MEMBOURNE-CROSS

A Yes, sir.

Q And if you have the good fortune to encounter a thicker section of sand, you should be able to produce this sand long enough to drain more acreage?

A Yes, sir. It would enhance the recovery of hydrocarbons.

Q And this would be in addition to the lake that you have down there?

A That is correct.

MR. STAMETS: Are there any other questions of this witness? He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this case? We will take the case under advisement.

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

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


COURT REPORTER

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5466
Heard by me on 4-30, 1975


Richard L. Nye, Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
PHIL R. LUCERO
MEMBER**

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

May 6, 1975

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

Re: CASE NO. 5466
ORDER NO. R-5014

Applicant:

Mark Production Company

Dear Sir:

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

Very truly yours,

G. H. Porter, Jr.
G. H. PORTER, JR.

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. 5466
Order No. R-5014

APPLICATION OF MARK PRODUCTION COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 30, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of May, 1975, 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, Mark Production Company, seeks
approval of a gas well location 1650 feet from the South line
and 1980 feet from the West line of Section 1, Township 18
South, Range 26 East, NMPM, to test the Pennsylvanian forma-
tion, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the W/2 of said Section 1 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 un-
orthodox location.

(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.

-2-

Case No. 5466
Order No. R-5014

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 1650 feet from the South line and 1980 feet from the West line of Section 1, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That the W/2 of said Section 1 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 Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



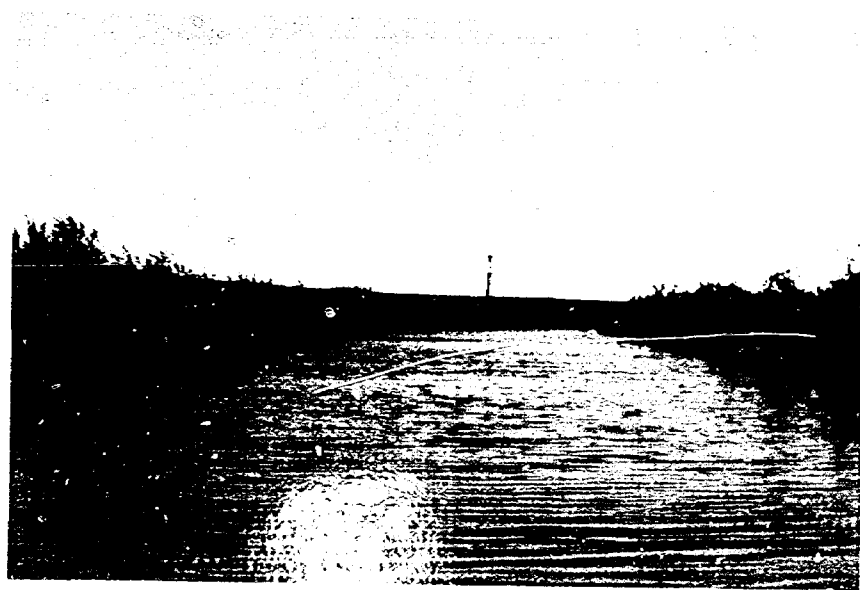
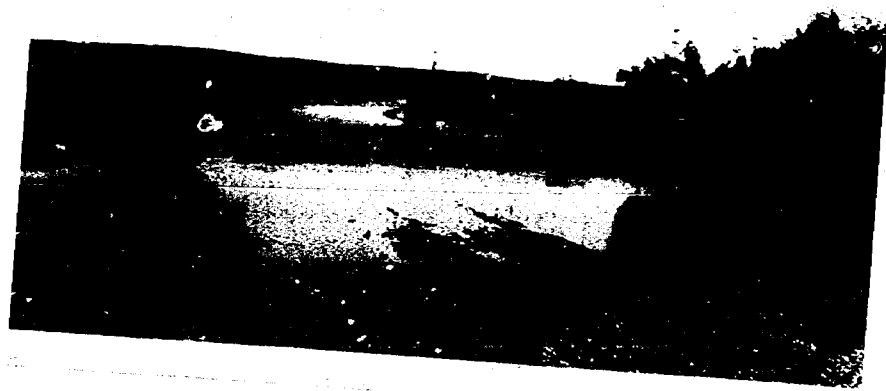
I. R. Trujillo
I. R. TRUJILLO, Chairman

PHIL R. LUCERO, Member

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

S E A L

jr/



[illegible]

AUTHORITY FOR EXPENDITURE
MARK PRODUCTION COMPANY - #1 SPENCER
ATOKA (PENN) FIELD
W/2 SECTION 1, T-18-S, R-26-E
EDDY COUNTY, NEW MEXICO

ESTIMATED COST TO CASING POINT:

Survey and stake	\$ 250
Roads and location	23,000
Surface damages and clean-up	500
Drilling: Footage - 9,300' @ \$15.30	123,690
Daywork - 4 days @ \$2,700	10,800
Sample logging unit - 20 days @ \$150	3,000
Cement and cementing services	5,526
Surface casing - 200' of 16" @ \$16.50	3,305
Intermediate casing - 2,000' of 8-5/8" @ \$10.85	21,700
Mud and chemicals	12,500
Water	1,500
Drillstem tests	4,500
Geological services	900
Drilling overhead	1,550
Drilling supervision	1,250
Logging	4,001
Legal services	1,300
Equipment rental	450
Welding	600
Wellhead	1,250
Trucking	2,500
Travel expense	450
New Mexico tax @ 4%	8,981

\$233,503

ESTIMATED COMPLETION COSTS:

Production casing - 9,400' of 4-1/2" @ \$5.89	55,366
Cement and cementing services	4,768
Corrolation log and perforating	2,400
Float equipment and centralizer	525
Temperature survey and BHP	650
Treating	6,500
Equipment rental	750
Welding	400
Completion unit	4,200
Tubing - 9,300' of 2-3/8" @ \$2.85	26,505
Packer	1,550
Tank Battery and flow lines	5,750
Tubing head	6,940
Stakpak - 750 BTU	17,490
Dehydrator	9,750
Roustabout work, fittings and connections	3,050
Completion overhead	1,150
Completion supervision	1,700
Trucking	1,200
Legal services	1,000
Rig anchors	213
Safety control valves	1,460
Travel expense	400
New Mexico tax @ 4%	6,148

SUBJECT to YATES PETROLEUM CORPORATION furnishing
their share of tubular tonnage in kind.

159,865

YATES PETROLEUM CORPORATION
YATES BLDG. — 207 S. 4th STREET
ARTESIA, NEW MEXICO 88210

\$393,368

APPROVED:

COMPANY:

BY:

DATE:

MARK PRODUCTION COMPANY

BY:

DATE:

CASE 5464: Application of Petro-Lewis Corporation for a unit agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Media Entrada Unit Area covering 580 acres of Federal lands, Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico.

CASE 5465: Application of Petro-Lewis Corporation for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its Media Entrada Unit Area by the injection of water into three wells, being the Fluid Power Pump Wells Nos. 4 and 2 located, respectively, 990 feet from the South line and 1650 feet from the East line, and 2310 feet from the North line and 330 feet from the East line, of Section 15, and the Federal Media Well No. 4 located 990 feet from the South line and 1650 feet from the West line of Section 14, all in Township 19 North, Range 3 West, Media-Entrada Oil Pool, Sandoval County, New Mexico.

CASE 5466: Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1650 feet from the South line and 1980 feet from the West line of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the W/2 of said Section 1 to be dedicated to the well.

CASE 5467: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York, and all other interested parties to appear and show cause why the Tex-Mex Cattle Co. Well No. 1 located in Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5468: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1 located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Docket No. 10-75

Dockets Nos. 11-75 and 12-75 are tentatively set for hearing on May 14 and May 28, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 30, 1975

9 A.M. - OIL CONSERVATION COMMISSION 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:

CASE 5459: Application of McClellan Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Henshaw Unit Area covering 1282 acres, more or less, of State and Federal lands in Township 16 South, Range 30 East, Eddy County, New Mexico.

CASE 5460: Application of McClellan Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its East Henshaw Unit Area by the injection of water into the Grayburg formation through eight wells located in Sections 1 and 2, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 5461: Application of General American Oil Company for pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Grayburg-Jackson (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico, to include the Seven Rivers formation excepting, however, that area of said Grayburg-Jackson Pool overlain by the Fren-Seven Rivers Pool.

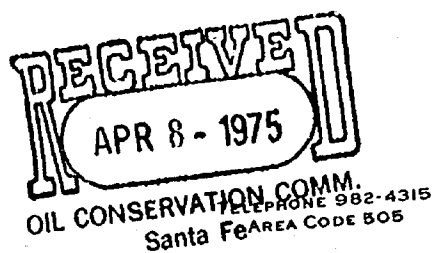
CASE 5462: Application of General American Oil Company for an unorthodox location and administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 825 feet from the North line and 1295 feet from the West line of Section 13, Township 16 South, Range 29 East, East High Lonesome Penrose Unit, High Lonesome Pool, Eddy County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional unorthodox producing and injection well locations could be approved for said unit area without hearing.

CASE 5463: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle undesignated Mesaverde and Devils Fork-Gallup production in the wellbore of his Edna Well No. 4 located in Unit H of Section 7, Township 24 North, Range 6 West, Rio Arriba 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 1769
SANTA FE, NEW MEXICO 87501

April 7, 1975



Case 5466

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

ATTENTION: Ida

Re: Mark Production Company Application

Dear Ida:

Please set the enclosed application for an unorthodox well location for hearing on April 30, 1975.

Very truly yours,

WTK
W. Thomas Kellahin

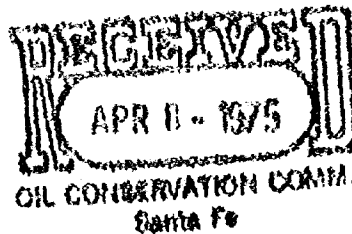
WTK:ksh

Enclosure

cc: Mr. Curtis Mewbourne

DOCKET MAILED

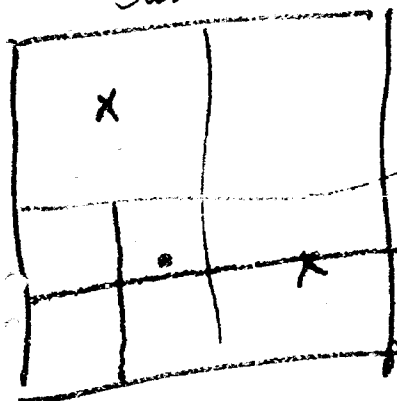
Date 4-18-75



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

Case 5466

IN THE MATTER OF THE APPLICATION
OF MARK PRODUCTION COMPANY
FOR AN UNORTHODOX LOCATION,
EDDY COUNTY, NEW MEXICO.



A P P L I C A T I O N

COMES NOW MARK PRODUCTION COMPANY, and applies to the Oil Conservation Commission of New Mexico for authority to drill a Morrow well at an unorthodox location, 1980 feet from the West line and 1650 feet from the South line of Section 1, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill on the W/2 of Section 1, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.
2. Applicant proposes to drill a Morrow well to a depth of 9,400 feet within the Atoka-Penn Pool at an unorthodox location, 1980 feet from the West line and 1650 feet from the South line of Section 1, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, designated Mark Production Company Well No. 1 Spencer.
3. Applicant's requested location is more advantageous for drilling than the orthodox location because

a well drilled at the orthodox location would either be dry or non-commercial, whereas a well drilled at the unorthodox location will result in the recovery of hydrocarbons not otherwise recoverable.

4. Approval of this application will not impair correlative rights and will prevent waste.

WHEREAS, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the unorthodox location as described above.

Respectfully submitted,

MARK PRODUCTION COMPANY

BY

KELLAHIN & FOX

Post Office Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

dr/

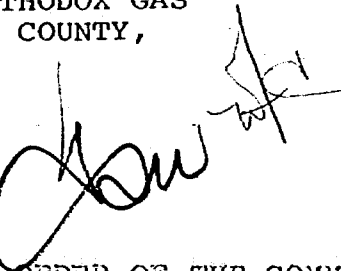
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5466

Order No. R-5014

APPLICATION OF MARK PRODUCTION
COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.



ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 30, 1975
at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of May, 1975, 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, Mark Production Company, seeks
approval of a gas well location 1650 feet from the South line
and 1980 feet from the West line of Section 1, Township 18
South, Range 26 East, NMPM, to test the Pennsylvanian formation,
Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

--2--

Case No. 5056

Order No. R-

(3) That the W/2 of said Section 1 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.

(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, ~~and~~ 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 1650 feet from the South line and 1980 feet from the West line of Section 1, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That the W/2 of said Section 1 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 Commission may deem necessary.

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