
CASE NO.

6395

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
7 December 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of David Fasken for pool
contraction and pool extension,
Eddy County, New Mexico.

CASE
6395

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: Summer G. Buell, Esq.
JASPAR AND BUELL
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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I N D E X

JAMES B. HENRY

Direct Examination by Mr. Buell 3

Cross Examination by Mr. Stamets 7

E X H I B I T S

Applicant Exhibit One, Map 7

Applicant Exhibit Two, Isopachous map 7

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1 MR. STAMETS: Call next Case 6395.

2 MS. TESCHENDORF: Case 6395. Application of
3 David Fasken for pool contraction and pool extension, Eddy
4 County, New Mexico.

5 MR. STAMETS: Call for appearances in this
6 case.

7 MR. BUELL: Mr. Examiner, I'm Sumner G.
8 Buell, with the firm of Jaspar and Buell, Santa Fe, appearing
9 on behalf of the applicant and I have one witness.

10 MR. STAMETS: I'd like to have him stand and
11 be sworn, please.

12 (Witness sworn.)

13
14 JAMES B. HENRY

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

17
18 DIRECT EXAMINATION

19 BY MR. BUELL:

20 Q Would you please state your name, address,
21 by whom you're employed, and in what capacity?

22 A I'm James B. Henry, Henry Engineering, in
23 Midland, Texas, appearing on behalf of our client, David
24 Fasken.

25 Q Mr. Henry, have you previously testified be-

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1 fore the Division or the previous Commission and been quali-
2 fied as an expert?

3 A Yes, I have.

4 Q And are you familiar with what is sought in
5 application number 6395?

6 A Yes, I am.

7 MR. BUELL: Are the witness' qualifications
8 acceptable?

9 MR. STAMETS: The witness is considered
10 qualified.

11 Q (Mr. Buell continuing.) Mr. Henry, referring
12 you to what has been marked for identification as Applicant's
13 Exhibit Number One, would you outline for the Examiner what
14 that exhibit shows?

15 A This exhibit is a structural contour map on
16 top of the Morrow Clastics horizon in the south end of the
17 Cemetery Field and the north end of the Indian Basin-Morrow
18 Field.

19 The area to the north of the dividing line
20 between Township 20 South and 21 South is now the dividing
21 line between these two fields. It's shown as a red line
22 across the exhibit and in the righthand margin is a notation
23 of those two fields.

24 The area outlined in green, and which has
25 been marked K-6389 was the application of Durham, Incorpor-

1 ated, presented to the Commission and I believe still pending
2 for contraction of the Indian Basin - Morrow Field and an
3 extension of the Cemetery - Morrow Field into that Section 8
4 of 21 South, 24 East.

5 Now, in this case, 6395, we seek a similar
6 treatment for the area outlined in red, being Section 9 of
7 the Township 21 South, Range 24 East. The difference in
8 our case being that there is a producing well in the south
9 half of Section 9, being the David Fasken Skelly Federal
10 No. 1, which we propose to dedicate the south half of that
11 section to that well, leaving the north half undedicated,
12 which would be drilled as a Morrow gas well in the Cemetery
13 Pool if geologic information from the four wells we're cur-
14 rently drilling, colored in red and purple in Sections 4
15 and 5 of Township 21, 25, prove productive and if the in-
16 formation gained from those wells show that this area is
17 productive and is feasible.

18 I also understand that Durham, Incorporated,
19 represents that they are to drill a well in the north half
20 of Section 8. If they drill in the north half of Section 8
21 and are successful, in the draining Morrow production, and
22 the geological information is revised following the com-
23 pletion of that well, suggests that it is productive, why
24 we would need to have this remedy in order to offset it and
25 prevent drainage in the north half of Section 9.

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Austin, Tex., New Mexico 51861

1 Q Referring you to what has been marked for
2 identification as Exhibit Number Two, would you please ex-
3 plain that?

4 A Exhibit Two is an Isopachous map of the
5 Indian Basin or A Sand in the -- or Indian Hills Sand, ex-
6 cuse me. In the area it is one of the producing horizons
7 in the Morrow clastic section. It is not the only one and
8 is probably the most continuous one in here, although it
9 is divided into a number of reservoirs. The structurally
10 low area from the structure map on the preceding exhibit
11 is outlined here in blue between the gas/water contacts
12 of these two fields, which are somewhat different, although
13 in any Morrow field we have to include a number of dif-
14 ferent discreet reservoirs if we stuck strictly to the
15 definition of a reservoir. As a matter of practicality in
16 developing these things, many of these had to be lumped
17 together in order to make any sort of orderly development
18 program feasible.

19 So we're proposing here that these -- this
20 area in Section 9 be removed from the Indian Basin - Morrow
21 and placed in the Cemetery Field since the other alternative
22 would be to -- which would be acceptable to us -- would be
23 to leave the north half in the -- or put the north half in
24 the Cemetery Field and the south half in the Indian Hills
25 Field with a nonstandard proration unit.

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1 Q Okay. Is it your opinion that the granting
2 of this application would prevent waste and protect corre-
3 lative rights?

4 A Yes, it would.

5 Q And were Exhibits One and Two prepared by you
6 or under your supervision?

7 A Yes, they were.

8 MR. BUELL: I'd move the introduction of
9 Exhibits One and Two.

10 MR. STAMETS: These exhibits will be admitted.

11 MR. BUELL: I have nothing further of this
12 witness.

13

14 CROSS EXAMINATION

15 BY MR. STAMETS:

16 Q Mr. Henry, looking at your Exhibit Number
17 Two, just on the basis of what you've drawn there, not
18 considering the many individual zones that might be present,
19 it would appear that the well that's currently completed in
20 the south half of Section 9 is in the Indian Basin - Morrow
21 Pool, whereas the north half of Section 9 would be connected
22 with the Cemetery - Morrow gas Pool?

23 A Yes, that is true with respect to the Indian
24 Hills or A Sand, that is correct.

25 Q Are there other sands that should be consi-

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1 dered? What I'm concerned about is if we take all of Section
2 9 out of the Indian Hills or out of the Indian Basin Pool,
3 do we really need to do that? Are there other zones in
4 there which should be developed if they're not part of the
5 current Indian Basin - Morrow reservoir?

6 A There probably are and those are distributed
7 on what could probably best be represented by some kind of
8 a statistical curve by taking the Morrow trend as a whole,
9 and I don't have any geological or engineering evidence
10 that will allow me at this time to project which of those
11 sands would be there.

12 We know statistically that we can expect some
13 additional sands to be productive here and that's about the
14 extent of it.

15 Now, as I said, I think the granting of a
16 nonstandard unit for the south half of 9, for the Indian
17 Basin -Morrow Pool, and placing the north half, deleting it
18 from the Indian Basin - Morrow and putting it in Cemetery
19 would give us a remedy we could live with.

20 Q You would not have any allowable problem, I
21 presume, because of the nonstandard proration unit in the
22 Indian Basin Pool?

23 A No, the Skelly Federal No. 1 is going to be
24 the first well I think I'll apply for the stripper gas
25 classification for.

1 MR. STAMETS: Very good. Are there any other
2 questions for the witness? He may be excused.

3 Anything further in this case?

4 MR. BUELL: I have nothing further.

5 MR. STAMETS: Okay, it will be taken under
6 advisement.

7 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd CSR
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6395
 heard by me on 12-7 1978.
Richard R. Ham, Examiner
 Oil Conservation Division

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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. 6395
Order No. R-5891

NOMENCLATURE

APPLICATION OF DAVID FASKEN FOR POOL
CONTRACTION AND POOL EXTENSION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 7, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of December, 1978, 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, David Fasken, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of Section 9, Township 21 South, Range 24 East, Eddy County, New Mexico, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid Section 9.

(3) That the applicant is the owner of certain oil and gas interests in Section 9, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

(4) That said Section 9 is within the currently defined horizontal limits of the Indian Basin-Morrow Gas Pool, which among other lands, include all of Sections 8, 9, 16, and 17 of Township 21 South, Range 24 East, NMPM.

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Case No. 6395

Order No. R-5891

(5) That the Cemetery-Morrow Gas Pool, as currently defined, includes all of Sections 4 and 5 and portions of Section 6 of Township 21 South, Range 24 East, NMPM.

(6) That the applicant seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of all of Section 9, Township 21 South, Range 24 East, NMPM, and the concurrent extension of the Cemetery-Morrow Gas Pool to include therein all of said Section 9.

(7) That the geological evidence presented at the hearing indicates that the North half of said Section 9 is indeed a part of said Cemetery-Morrow Gas reservoir.

(8) That the geological evidence presented at the hearing indicates that the South half of said Section 9 is properly classified within the Indian Basin-Morrow gas reservoir.

(9) That in order to protect correlative rights and prevent waste, the North half of said Section 9 should be removed from the Indian Basin-Morrow Gas Pool and placed in the Cemetery-Morrow Gas Pool.

(10) That a 320-acre non-standard gas proration unit consisting of the South half of said Section 9 should be established for the Indian Basin-Morrow Gas Pool to be dedicated to applicant's Skelly Federal Com Well No. 1 located in Unit M of said Section 9.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1979, the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described lands in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 9: N/2

(2) That the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended by the inclusion therein of the above-described lands.

(3) That effective January 1, 1979, a 320-acre non-standard gas proration unit consisting of the South half of said Section 9 is hereby established for the Indian Basin-Morrow Gas Pool to be dedicated to applicant's Skelly Federal Com Well No. 1 located in Unit M of said Section 9.

-3-

Case No. 6395

Order No. R-5891

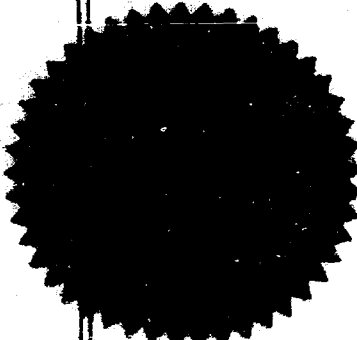
(4) That the applicant shall file new Forms C-102 with the Division dedicating said 320-acre non-standard gas proration unit to said Skelly Federal Com Well No. 1 within 60 days from the effective date of this order.

Failure to file such new Forms C-102 with the Division shall subject the well to cancellation of allowable. Until said Form C-102 has been filed said well shall receive no more than one-half of a standard allowable for the Indian Basin-Morrow Gas Pool.

(5) 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.

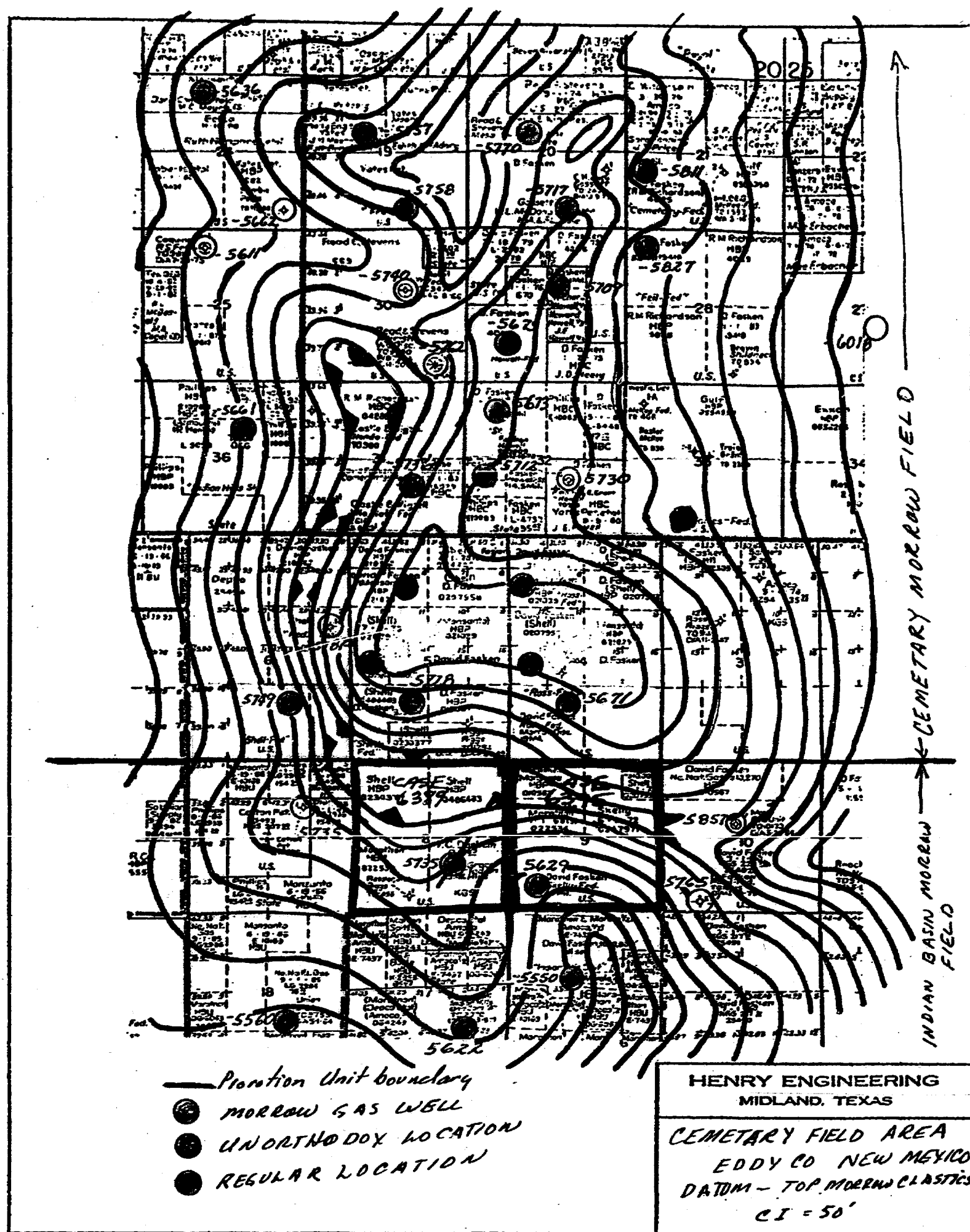
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

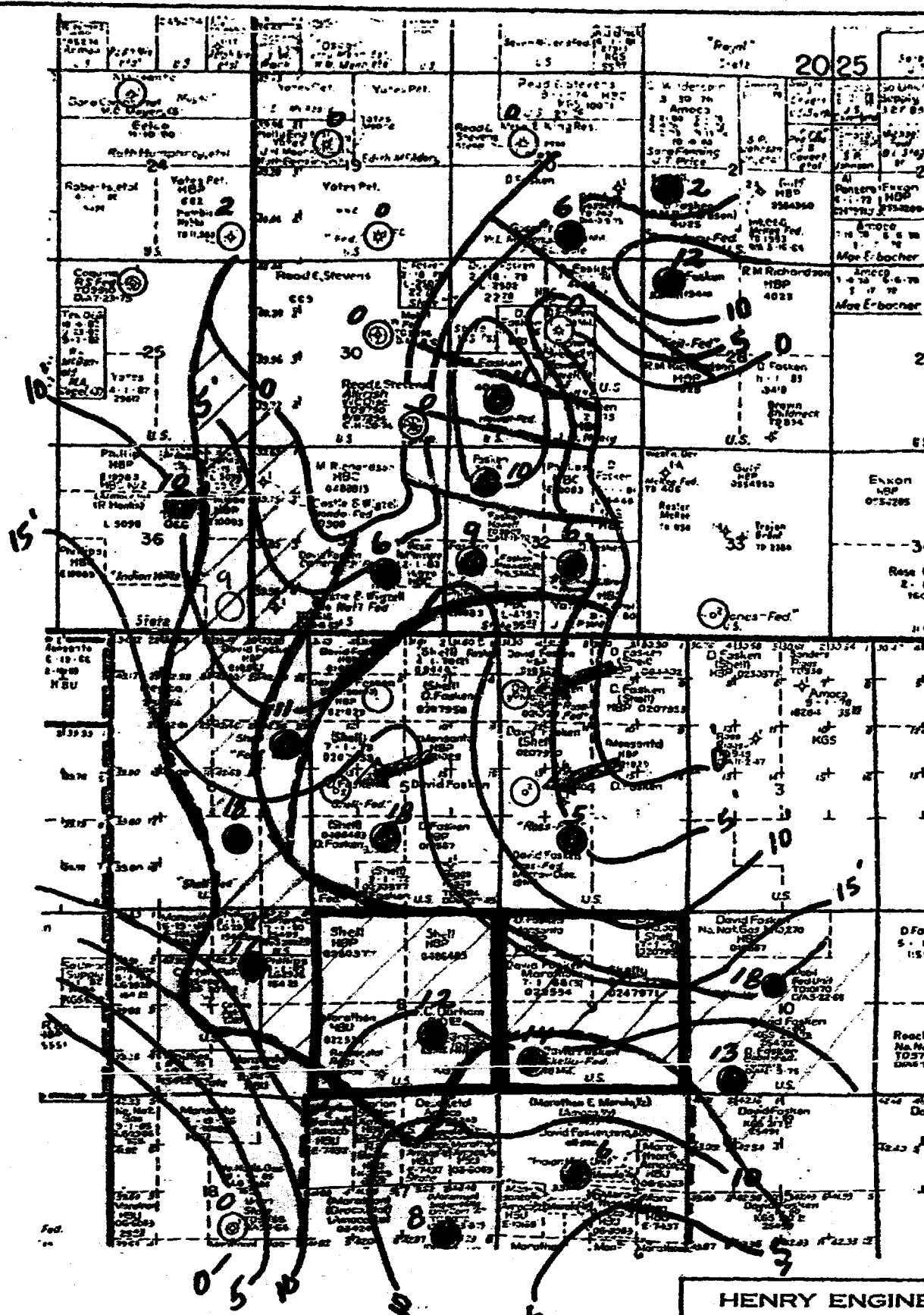






Joe D. Ramey
JOE D. RAMEY
Director

S E A L

ed/





-  INDIAN HILLS SAND WATER BEARING
-  RESERVOIR BOUNDARY PER PRESSURE-PERFORMANCE
-  INDIAN HILLS SAND WATER BEARING
-  INDIAN HILLS SAND GAS BEARING

HENRY ENGINEERING
MIDLAND, TEXAS

CEMETARY FIELD AREA
EDDY CO., NEW MEXICO
DATUM - THICKNESS
INDIAN HILLS SAND
CI - 5'

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD
PAUL M. BOHANNON
J. DOUGLAS FOSTER
R. DOUGLAS PENNIN
C. RAY ALLEN
JACQUELINE W. ALLEN
T. CALDER EZZELL, JR.

LAW OFFICES
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OF COUNSEL
CLARENCE E. HINKLE

W. E. BONOURANT, JR. (1924-1973)

ROSWELL, NEW MEXICO OFFICE

800 HINKLE BUILDING

(505) 822-8510

ONLY ATTYS. COFFIELD, MARTIN,
BOZARTH, BOHANNON, FOSTER, ALLEN & ALLEN
LICENSED IN TEXAS

November 30, 1978

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

Re: Application of David Fasken
Case No. 6395

Gentlemen:

On behalf of Durham, Inc., the operator in Section 8,
Township 21 South, Range 24 East, we support the Application
of David Fasken in the above referenced case.

We do feel that the Cemetery Morrow Gas Pool should be
extended to the south line of Section 9, Township 21 South,
Range 24 East, N.M.P.M. and the Indian Basin Morrow Gas
Pool contracted accordingly.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield
Conrad E. Coffield

CEC:rf

xc: Mr. Sumner G. Buell
Jasper and Buell
Post Office Box 1626
Santa Fe, New Mexico 87501

Dockets Nos. 40-78 and 41-78 are tentatively set for hearing on December 20, 1978 and January 3, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 7, 1978

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:

- CASE 6392: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Indian Hills Com. Well No. 1 located in Unit J of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6393: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 104 F of the Division Rules and Regulations to provide for the administrative approval of the unorthodox location of wells drilled within secondary recovery or pressure maintenance projects.
- CASE 6394: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the adoption of an administrative procedure and Forms C-132 and C-132-A, all for the purpose of making wellhead price ceiling category determinations under the Natural Gas Policy Act of 1978.
- CASE 6395: Application of David Fasken for pool contraction and pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of Section 9, Township 21 South, Range 24 East, Eddy County, New Mexico, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid Section 9.
- CASE 6396: Application of Amoco Production Company for pool creation and contraction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the House Drinkard oil pool by the deletion therefrom of the NE/4 and E/2 SE/4 of Section 12 and the E/2 NE/4 of Section 13, both in Township 20 South, Range 38 East, and the W/2 of Section 7 and the NW/4 of Section 18, Township 20 South, Range 39 East, and the creation of a new gas pool for Lower Drinkard production in the NE/4 of Section 12, Township 20 South, Range 38 East, all in Lea County, New Mexico.
- CASE 6397: Application of Western Oil Producers, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 4, Township 24 South, Range 35 East, Cinta Roja-Morrow Gas Pool, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6398: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for the Wolfcamp and Pennsylvanian formations of its State Com Well No. 1, to be located 660 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Catclaw Draw Field, Eddy County, New Mexico, all of said Section 18 to be dedicated to the well in the Morrow formation.
- CASE 6399: Application of Texas Oil & Gas Corporation 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 W/2 of Section 32, Township 18 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 710 feet from the North line and 2330 feet from the West line of said section. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6400: Application of Coronado Exploration Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying each of the following 40-acre tracts: SW/4 SW/4 Section 7; SW/4 SW/4 Section 8; SW/4 SE/4 Section 18; NW/4 NW/4 Section 19; and NW/4 NW/4 Section 20, all in Township 10 South, Range 28 East, Race Track-San Andres Pool, Chaves County, New Mexico. Also the NE/4 NE/4 Section 28, Township 10 South, Range 28 East, LE Ranch-San Andres Pool, Chaves County, and the SW/4 NE/4 Section 15, Township 11 South, Range 28 East, East Chisum-San Andres Pool, Chaves County. Each of the aforesaid 40-acre tracts would comprise a drilling unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered, with respect to each of the above described drilling units and well, will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision; also to be considered will be the designation of applicant as operator of each well and a charge for risk involved in drilling each well.

- CASE 6401:** Application of Southland Royalty Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Mesaverde production within the wellbore of its Jicarilla 101 Well No. 1 located in Unit A of Section 1, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6402:** Application of Southland Royalty Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Dakota production within the wellbore of its Jicarilla 101 Well No. 2 located in Unit M of Section 12, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.
- CASE 6403:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin Dakota and Blanco Mesaverde production within the wellbore of its O'Shea Well No. 1 located in Unit K of Section 3, Township 31 North, Range 13 West, San Juan County, New Mexico.
- CASE 6404:** Application of Sun Production Company for compulsory pooling, non-standard gas proration unit, and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 of Section 35, Township 19 South, Range 36 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit to be dedicated to a well to be drilled at an unorthodox location 810 feet from the South line and 2030 feet from the East line of said section. 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6405:** Application of LaRue and Muncy for exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Federal FR Well No. 1 located in Unit I of Section 15, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in the following manner: set surface casing and circulate cement; eliminate salt protection string; and do not circulate cement on production casing.

RECEIVED

NOV 6 1978

Oil Conservation Commission

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

APPLICATION OF DAVID FASKEN)
FOR AN EXTENSION OF THE CEMETERY-)
MORROW GAS POOL TO INCLUDE ALL OF)
SECTION 9, TOWNSHIP 21 SOUTH,)
RANGE 24 EAST, N.M.P.M., EDDY)
COUNTY, NEW MEXICO, AND FOR)
CONTRACTION OF THE INDIAN BASIN)
MORROW GAS POOL TO DELETE SECTION)
9, TOWNSHIP 21 SOUTH, RANGE 24)
EAST, N.M.P.M., EDDY COUNTY,)
NEW MEXICO.)

CASE NO. 6395

A P P L I C A T I O N

Comes now David Fasken by his attorneys, Jasper & Buell,
and in support of this application states:


1. Applicant is an interest owner in Section 9,
Township 21 South, Range 24 East, N.M.P.M., Eddy County,
New Mexico.
2. At the present time applicant is the operator
of the Skelly Federal gas well completed and producing from
the Morrow formation. The Skelly Federal is located in the
S/2 of Section 9, Township 21 South, Range 24 East, N.M.P.M.,
Eddy County, New Mexico.
3. All of Section 9, Township 21 South, Range 24
East, N.M.P.M., Eddy County, New Mexico, is presently within
the Indian Basin Morrow Gas Pool which comprises 640-acre
spacing proration units.
4. The geology in the area indicates that Section 9
is more closely related with the Cemetery-Morrow Gas Pool which
is developed on 320-acre spacing.

5. Applicant asks that Section 9, Township 21 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, be deleted from the Indian Basin Morrow Gas Pool and placed in the Cemetary-Morrow Gas Pool and developed on 320-acre spacing.

6. Applicant proposes to dedicate the S-1/2 of Section 9, Township 21 South, Range 24 East, N.M.P.M., to its Skelly Federal Well and the N-1/2 of said section would be dedicated to any Morrow well that might be drilled in the future in accordance with the rules and regulations of the Oil Conservation Division.

7. The granting of this application will prevent waste and protect correlative rights.

JASPER & BUELL

By 
Sumner G. Buell
Attorneys for Applicant
Post Office Box 1626
Santa Fe, New Mexico 87501

ROUGH

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. 6395

Order No. A-5891 **NOMENCLATURE**

Application of David Fasken for pool contraction and pool extension, Eddy County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 7,
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of December, 1978, 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, David Fasken,

seeks the contraction of the Indian Basin-Morrow Gas Pool by
the deletion therefrom of Section 9, Township 21 South, Range 24 East, Eddy County, New Mexico, and
the extension of the Cometary-Morrow Gas Pool to include the aforesaid Section 9.

(2) That the applicant, ~~W. B. B. B. B.~~ is the owner of certain oil and gas interests in Section 9, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

(4) That said Section 9 is within the currently defined horizontal limits of the Indian Basin-Morrow Gas Pool, which among other lands, include all of Sections 8, 9, 16, and 17 of Township 21 South, Range 24 East, NMPM.

(5) That the Cemetery-Morrow Gas Pool, as currently defined, includes all of Sections 4 and 5 and portions of Section 6 of Township 21 South, Range 24 East, NMPM.

(6) That the applicant seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of all of Section 9, Township 21 South, Range 24 East, NMPM, and the concurrent extension of the Cemetery-Morrow Gas Pool to include therein all of said Section 9.

(7) That the geological evidence presented at the hearing indicates that the North half of said Section 9 is indeed a part of said Cemetery-Morrow Gas reservoir.

(8) That the geological evidence presented at the hearing indicates that the South half of said Section 9 is properly classified within the Indian Basin-Morrow gas reservoir.

(9) That in order to protect correlative rights and prevent waste, the North half of said Section 9 should be removed from the Indian Basin-Morrow Gas Pool and placed in the Cemetery-Morrow Gas Pool.

(10) That a 320-acre non-standard gas proration unit consisting of the South half of said Section 9 should be established for the Indian Basin-Morrow Gas Pool to be dedicated to applicant's Skelly Federal Com Well No. 1 located in Unit M of said Section 9.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1979, the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described lands in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 9: N/2

(2) That the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended by the inclusion therein of the above-described lands.

(3) That ~~further~~ effective January 1, 1979, a 320-acre non-standard gas proration unit consisting of the South half of said Section 9 is hereby established for the Indian Basin-Morrow Gas Pool to be dedicated to applicant's Skelly Federal Com Well No. 1 located in Unit M of said Section 9.

(4) That the applicant shall file new Forms C-102 with the Division dedicating said 320-acre non-standard gas proration unit to said Skelly Federal Com Well No. 1 within 60 days from the ~~effective~~ date of this order.

Failure to file such new Forms C-102 with the Division shall subject the well to cancellation of allowable. Until said Form C-102 has been filed said well shall receive no more than one-half of a standard allowable for the Indian Basin-Morrow Gas Pool.

(5) 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.

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Amoco

CASE 6396: AMOCO PRODUCTION COMPANY FOR
POOL CREATION AND CONTRACTION, LEA
COUNTY, NEW MEXICO