

CASE 6625: MEWBORNE OIL COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO

CASE NO.

6625

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

January 28, 1980

Case 6625

Mr. M. A. Custer, Jr.
Mewbourne Oil Company
1010 Wall Towers West
Midland, Texas 79701

Dear Mr. Custer:

Pursuant to your letter of January 24, 1980, this is to advise that Order No. R-6100 cannot be amended to cover an unorthodox well location to the Wolfcamp formation without notice and hearing.

We do have provisions for administrative approval for wells drilled to deeper horizons but this type of approval can only be obtained when the well is at a standard location.

You must therefore apply for a hearing to amend Order No. R-6100 to include the Wolfcamp formation.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

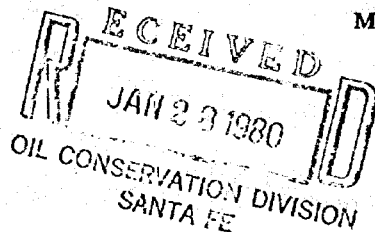
C
O
P
Y

MEWBOURNE OIL COMPANY

1010 WALL TOWERS WEST
MIDLAND, TEXAS 79701

915-682-3715

January 24, 1980



Re: Request to Amend
Order No. R-6100

State of New Mexico
Oil Conservation Division
Santa Fe, New Mexico 87501

Attention: Joe Ramey

Dear Sir:

The captioned order number was approved for an unorthodox gas well location for the Morrow formation. Mewbourne Oil Company drilled the well to a total depth of 10,625 feet in the Morrow. We encountered no reservoir sands in the Morrow therefore, the well was plugged back to the Wolfcamp at 9,050 feet and completed as a gas well through perforations 7986 to 8006 feet.

With this letter we are requesting that Order No. R-6100 be amended to include the Wolfcamp formation.

Yours very truly,

Mewbourne Oil Company

M. A. Custer, Jr.
M. A. Custer, Jr.

MAC:tg

cc: Sue Hearon



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

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

Re: CASE NO. 6625
ORDER NO. R-6100

Applicant:

Mewbourne Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> x </u>
Aztec OCC	<u> </u>

Other _____

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. 6625
Order No. R-6100

APPLICATION OF MEWBOURNE OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1979, 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, Mewbourne Oil Company, seeks
approval of an unorthodox gas well location 660 feet from the
North line and 1315 feet from the East line of Section 30, Town-
ship 29 South, Range 27 East, NMPM, to test the Morrow formation,
Eddy County, New Mexico.
- (3) That the E/2 of said Section 30 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.

Case No. 6625
Order No. R-5100

(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:

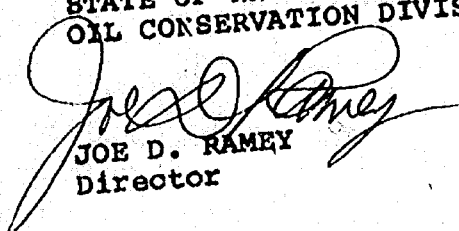
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for Mewbourne Oil Company for a well to be drilled at a point 660 feet from the North line and 1315 feet from the East line of Section 30, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico.

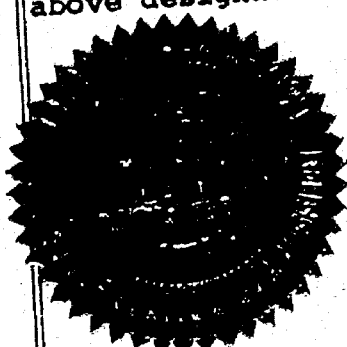
(2) That the E/2 of said Section 30 shall be dedicated to the above-described well.

(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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mewbourne Oil Com-) CASE
pany for an unorthodox gas well) 6625
location, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

I N D E X

M. A. CUSTER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 12

E X H I B I T S

Applicant Exhibit One-A, Map 4
Exhibit One, Map 5

Applicant Exhibit Two Isopach 7

Applicant Exhibit Three, Cross Section 5

Applicant Exhibit Four, Letter 11

Applicant Exhibit Five, Letter 11

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call next case 6625.

2 MR. PADILLA: Application of Mewbourne Oil
3 Company for an unorthodox gas well location, Eddy County,
4 New Mexico.

5
6 (Witness sworn.)

7
8 M. A. CUSTER

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

11
12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Would you please state your name, by whom
15 you're employed, and in what capacity?

16 A My name is M. A. Custer, Junior, and I'm
17 a District Geologist for Mewbourne Oil Company, Tyler, Texas,
18 with my office being in Midland, Texas.

19 Q Mr. Custer, have you previously testified
20 and had your qualifications as an expert geologist ac-
21 cepted and made a matter of record by this Commission?

22 A Yes, sir.

23 MR. KELLAHIN: We tender Mr. Custer as an
24 expert witness.

25 MR. STAMETS: He's considered qualified.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2463
Santa Fe, New Mexico 87301

1 Q Would you refer to what we've marked as
2 Applicant Exhibit Number One-A, which is the surface plat,
3 identify for us the proposed unorthodox gas well location
4 and the corresponding pools within that immediate area?

5 A Yes, sir. Our location, proposed loca-
6 tion, is 1315 feet from the east line and 660 feet from
7 the north line of Section 30, 20, 27, with the east half
8 of that section being the proration unit.

9 It is marked. It is colored yellow on the
10 attached plat.

11 The McMillan-Morrow Field, which is under
12 640-acre spacing, is indicated by the orange outline, and
13 the Avalon-Morrow Field, which is 320-acre spacing, is
14 indicated by the green outline on this plat.

15 Q How did you determine the appropriate
16 number of acres to be dedicated to this well? What, if
17 any, communications have you had with any of the employees
18 of the Oil Conservation Commission with regards to the
19 acreage dedication?

20 A Yes, sir. We dedicated the 320 acres
21 based on conversations between myself and Dan Nutter.

22 Q What is the specific proposed unorthodox
23 location again?

24 A 1315 feet from the east line and 660 feet
25 from the north line of Section 30.

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3020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87301

1 Q And what would a standard location be for
2 the Avalon-Morrow Pool? Be 1980/660?

3 A I believe it's 1980, yes, sir.

4 Q All right, sir. Would you refer to Ex-
5 hibit Number One now and identify that?

6 A Exhibit Number One is a structure map con-
7 toured on what I call the Morrow A-1 sand. If I could,
8 I'd like to also point out on Exhibit Three, which is the
9 cross section hung on the wall, it's the sand that is out-
10 lined in yellow.

11 Q I believe you've labeled the cross section
12 Exhibit Number Four.

13 A I'm sorry, Exhibit Number Four.

14 Q And what is the corresponding color?

15 A It's the sand within the Morrow section
16 that is outlined in yellow.

17 Q You've labeled that sand A-1 sand. Is
18 that the lowest producing Morrow sand in the Morrow forma-
19 tion?

20 A In this area, yes, sir.

21 Q So the proposed unorthodox location well
22 will test all of the Morrow sands?

23 A Yes, sir.

24 Q Your principal objective, however, is the
25 lowest Morrow sand?

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Santa Fe, New Mexico 87501

Page 6

1 A. Right.

2 Q All right, would you go ahead and explain
3 the exhibit?

4 A. This exhibit, as I said, is a structure
5 map contoured on this sand. Contouring interval is 50
6 feet.

7 The wells that produce from this particular
8 sand zone are designated by the purple triangles. You'll
9 note an orange line running across the plat. That is the
10 cross section, Exhibit Number Four, the north/south cross
11 section. Each well has been numbered and designated by a
12 certain number with the proposed location being number 3.
13

14 The proration unit is indicated in yellow.

15 The scale of the map is 1-inch to 2000.
16 The subsea numbers colored red are the subsea points on top
17 of the A-1 sand.

18 Q How did you determine the gas/water con-
19 tact, Mr. Custer?

20 A. That was based on production tests in Well
21 No. 6, which is located just to the south of our proration
22 unit, and from an examination of logs on Well No. 4, which
23 is located east of our proration unit.

24 Q Does structure play any significance in
25 potential Morrow gas production in this immediate area?

A. I think it does. As you can see on this

1 structure plat, there is a strong north/south trending nose
2 that cuts across the designated proration unit, and from
3 the production tests of the Well No. 6 it establishes a
4 gas/water contact because that well does produce from the
5 upper zone in that sand.

6 Q Your plat indicates that this acreage is
7 under lease from Marathon, is that right?

8 A That is correct.

9 Q What is the arrangement between Mewbourne
10 Oil Company and Marathon?

11 A We have a farmout from them.

12 Q Does that farmout require or commit Mew-
13 bourne Oil Company to commence the drilling of this well
14 by any particular date?

15 A Yes, sir, it does. We have to commence
16 the well by September the 15th.

17 Q Would you refer to Exhibit Number Three
18 and identify that?

19 A Exhibit Number Three is a net sand Iso-
20 pach. You'll note down there, Mr. Examiner, that says
21 "new". That should be "net", N-E-T, instead of new. I
22 just now noticed that.

23 This map was prepared by examining all the
24 logs, production data, drill stem test data, and it is
25 based on net sand that has been perforated and has produced

1 from this total sand zone that is shown on the cross sec-
2 tion.

3 Also I used positive separation of the
4 gamma ray density neutron logs in the area and then, as I
5 mentioned, drill stem test data.

6 It is an Isopach contoured on contour
7 interval being ten feet and it appears to be a lobe of pro-
8 bably a deltaic -- delta sand, which is the way most of the
9 Morrow was deposited in Eddy County.

10 Q Let me ask you at this point, Mr. Custer,
11 what do you mean by net feet of sand here?

12 A Well, I just explained what -- that, how
13 I took that, the net sand off of the individual wells is
14 by the postive separation of the density neutron logs and
15 production data.

16 Q All right, sir. Now --

17 A Excuse me, the net figures are colored red
18 on the map.

19 Q Now if I understand your exhibit correctly,
20 it would appear as if you could move the unorthodox loca-
21 tion down to a standard location in the east half of Sec-
22 tion 30 and still maintain pretty good number of net feet
23 of Morrow sand but you then lose structure, is that correct?

24 A That is right.

25 Q All right. What are, then, the reasons

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1 that you prefer the unorthodox location to a standard loca-
2 tion within the east half of Section 30?

3 A. Well, we'd like to stay as high as we
4 could on our proration unit and be where we think the
5 greatest thickness of sand will occur.

6 Q. What is the quality of this Coquina Well
7 in the west half of Section 29, with 41 feet of net pay?

8 A. Could we refer to the cross section ex-
9 hibit?

10 Q. Yes, sir, please do.

11 A. The cross section exhibit, as I pointed
12 out, the sand we're talking about is outlined in yellow.
13 I have also colored in the sand zone the individual sands
14 that make up that sand zone, and the -- colored them yellow
15 on the gamma ray side of the log.

16 The green color designates the drill stem
17 test intervals. The red coloring on the cross section
18 indicates the producing intervals that have produced or
19 are producing in the Morrow section only. Some of these
20 wells, one well in particular, I think, was perforated
21 above the Morrow and that's not on this.

22 The upper section is a structural section
23 on a datum of -7000 feet.

24 The lower section is a stratigraphic sec-
25 tion hung on top of the Morrow Clastic section, or the

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

1 Morrow formation.

2 The vertical scale is 1-inch equal 40 feet.
3 There is no horizontal scale.

4 The line of section is indicated on this
5 little plat here.

6 Now, the Coquina Well is Well No. Four,
7 which is this well located right here, and they perforated
8 this excellent sand section in here -- back up just a
9 minute. In drilling the well they tested the total sand
10 section and it flowed gas at a rate of 14-million a day
11 and recovered 850 feet of formation water with a trace of
12 condensate with good pressure. They came in and perforated
13 all of the sand and completed the well for 4-million on
14 open flow in July of 1975.

15 There is no report of any production from
16 this zone. We think what happened was it watered out
17 through this lower set of perforations.

18 And there was no workover ever performed
19 on this particular well. It was plugged back and completed
20 from the Bone Springs.

21 This is one of the bases for the gas/water
22 contact of a -7326. The other basis for the gas/water con-
23 tact is Well No. 6, which is the south offset to our pro-
24 ration unit, the Monsanto Wagner Federal No. 1, and again
25 it had a pretty good sand section within the A-1 zone and

1 they selectively perforated the three sand bodies within
2 that interval, within that zone.

3 The lower one made nothing but water.
4 The middle set of perforations flowed, before they plugged
5 back, 210,000 cubic feet of gas per day, plus 17 barrels
6 of water per hour. They plugged back to this upper sand
7 zone and completed the well for a little over 1-million.

8 This is again another basis for the gas/
9 water contact within this sand zone.

10 I have indicated on the cross section a
11 permeability barrier between Wells Nos. 6 and 7. If you
12 will look at the structural plat you'll see that Well No.
13 7 is about 100 feet low to Well No. 6, which established
14 the gas/water contact, and if you'll look on the net sand
15 Isopach, I have indicated a separation of those two sands,
16 on the net sand Isopach, and that's the reason for the
17 permeability barrier on that cross section, indicated.

18 Q All right, sir, would you refer to Ex-
19 hibits Four and Five and identify those exhibits for me?

20 A Four and Five are waiver letters from
21 Coquina, who owns the acreage on the east half east of our
22 proration unit, and from Sohio Petroleum Company, who owns
23 the acreage to the north.

24 Q Mr. Custer, were Exhibits One through Five
25 either prepared by you directly or compiled under your

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CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (SSE) 471-2463
Santa Fe, New Mexico 87501

1 direction and supervision?

2 A Yes, sir, they were.

3 Q And in your opinion will approval of this
4 application be in the best interests of conservation, the
5 prevention of waste, and the protection of correlative
6 rights?

7 A Yes, sir, it sure will.

8 MR. KELLAHIN: We move the introduction
9 of Exhibits One through Five.

10 MR. STAMETS: These exhibits will be ad-
11 mitted.

12
13 CROSS EXAMINATION

14 BY MR. STAMETS:

15 Q Mr. Custer, just to summarize here, your
16 location gives you good structural advantage.

17 A Yes, sir.

18 Q And puts you far away from the gas/water
19 contact that apparently has caused some problems in other
20 wells?

21 A That's right.

22 Q And also puts you in a good position as
23 to the maximum, or very near the maximum, thickness of the
24 available sand?

25 A That's right.

1 MR. STAMETS: Any other questions of the
2 witness? He may be excused.

3 Anything further in this case?

4 The case will be taken under advisement.
5

6 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (995) 471-3462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
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. 6625
heard by me on 8-8 1979.

Richard L. [Signature] Examiner
Oil Conservation Division

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CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S95) 471-2462
Santa Fe, New Mexico 87501

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Page 1

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
8 August 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Mewbourne Oil Com-) CASE
pany for an unorthodox gas well) 6625
location, Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant:

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

I N D E X

M. A. CUSTER

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	12

E X H I B I T S

Applicant Exhibit One-A, Map	4
Exhibit One, Map	5
Applicant Exhibit Two, Isopach	7
Applicant Exhibit Three, Cross Section	5
Applicant Exhibit Four, Letter	11
Applicant Exhibit Five, Letter	11

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3070 Plaza Blanca (665) 471-2462
Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call next case 6625.

2 MR. PADILLA: Application of Mewbourne Oil
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4 New Mexico.

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6 (Witness sworn.)

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8 M. A. CUSTER

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12 DIRECT EXAMINATION

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23 MR. KELLAHIN: We tender Mr. Custer as an
24 expert witness.

25 MR. STAMETS: He's considered qualified.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 Q Would you refer to what we've marked as
2 Applicant Exhibit Number One-A, which is the surface plat,
3 identify for us the proposed unorthodox gas well location
4 and the corresponding pools within that immediate area?

5 A Yes, sir. Our location, proposed loca-
6 tion, is 1315 feet from the east line and 660 feet from
7 the north line of Section 30, 29, 27, with the east half
8 of that section being the proration unit.

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10 attached plat.

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13 the Avalon-Morrow Field, which is 320-acre spacing, is
14 indicated by the green outline on this plat.

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16 number of acres to be dedicated to this well? What, if
17 any, communications have you had with any of the employees
18 of the Oil Conservation Commission with regards to the
19 acreage dedication?

20 A Yes, sir. We dedicated the 320 acres
21 based on conversations between myself and Dan Nutter.

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23 location again?

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25 from the north line of Section 30.

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

Page 5

1 Q And what would a standard location be for
2 the Avalon-Morrow Pool? Be 1980/660?

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4 Q All right, sir. Would you refer to Ex-
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18 that the lowest producing Morrow sand in the Morrow forma-
19 tion?

20 A In this area, yes, sir.

21 Q So the proposed unorthodox location well
22 will test all of the Morrow sands?

23 A Yes, sir.

24 Q Your principal objective, however, is the
25 lowest Morrow sand?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2022 Plaza Blanca, (998) 471-2462
Santa Fe, New Mexico 87501

Page 6

1 A. Right.

2 Q All right, would you go ahead and explain
3 the exhibit?

4 A This exhibit, as I said, is a structure
5 map contoured on this sand. Contouring interval is 50
6 feet.

7 The wells that produce from this particular
8 sand zone are designated by the purple triangles. You'll
9 note an orange line running across the plat. That is the
10 cross section, Exhibit Number Four, the north/south cross
11 section. Each well has been numbered and designated by a
12 certain number with the proposed location being number 3.

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14 The scale of the map is 1-inch to 2000.

15 The subsea numbers colored red are the subsea points on top
16 of the A-1 sand.

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18 tact, Mr. Custer?

19 A That was based on production tests in Well
20 No. 6, which is located just to the south of our proration
21 unit, and from an examination of logs on Well No. 4, which
22 is located east of our proration unit.

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24 potential Morrow gas production in this immediate area?

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5 upper zone in that sand.

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7 under lease from Marathon, is that right?

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10 Oil Company and Marathon?

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13 bourne Oil Company to commence the drilling of this well
14 by any particular date?

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16 the well by September the 15th.

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18 and identify that?

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20 pach. You'll note down there, Mr. Examiner, that says
21 "new". That should be "net", N-E-T, instead of new. I
22 just now noticed that.

23 This map was prepared by examining all the
24 logs, production data, drill stem test data, and it is
25 based on net sand that has been perforated and has produced

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CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

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3020 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

1 from this total sand zone that is shown on the cross sec-
2 tion.

3 Also I used positive separation of the
4 gamma ray density neutron logs in the area and then, as I
5 mentioned, drill stem test data.

6 It is an Isopach contoured on contour
7 interval being ten feet and it appears to be a lobe of pro-
8 bably a deltaic -- delta sand, which is the way most of the
9 Morrow was deposited in Eddy County.

10 Q Let me ask you at this point, Mr. Custer,
11 what do you mean by net feet of sand here?

12 A Well, I just explained what -- that, how
13 I took that, the net sand off of the individual wells is
14 by the postive separation of the density neutron logs and
15 production data.

16 Q All right, sir. Now --

17 A Excuse me, the net figures are colored red
18 on the map.

19 Q Now if I understand your exhibit correctly,
20 it would appear as if you could move the unorthodox loca-
21 tion down to a standard location in the east half of Sec-
22 tion 30 and still maintain pretty good number of net feet
23 of Morrow sand but you then lose structure, is that correct?

24 A That is right.

25 Q All right. What are, then, the reasons

1 that you prefer the standard location to a standard loca-
2 tion within the east half of Section 30?

3 A. Well, we'd like to stay as high as we
4 could on our proration unit and be where we think the
5 greatest thickness of sand will occur.

6 Q. What is the quality of this Coquina Well
7 in the west half of Section 29, with 41 feet of net pay?

8 A. Could we refer to the cross section ex-
9 hibit?

10 Q. Yes, sir, please do.

11 A. The cross section exhibit, as I pointed
12 out, the sand we're talking about is outlined in yellow.
13 I have also colored in the sand zone the individual sands
14 that make up that sand zone, and the -- colored them yellow
15 on the gamma ray side of the log.

16 The green color designates the drill stem
17 test intervals. The red coloring on the cross section
18 indicates the producing intervals that have produced or
19 are producing in the Morrow section only. Some of these
20 wells, one well in particular, I think, was perforated
21 above the Morrow and that's not on this.

22 The upper section is a structural section
23 on a datum of -7000 feet.

24 The lower section is a stratigraphic sec-
25 tion hung on top of the Morrow Clastic section, or the

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3028 Plaza Blanca (695) 471-2462
Santa Fe, New Mexico 87501

1 Morrow formation.

2 The vertical scale is 1-inch equal 40 feet.
3 There is no horizontal scale.

4 The line of section is indicated on this
5 little plat here.

6 Now, the Coquina Well is Well No. Four,
7 which is this well located right here, and they perforated
8 this excellent sand section in here -- back up just a
9 minute. In drilling the well they tested the total sand
10 section and it flowed gas at a rate of 14-million a day
11 and recovered 850 feet of formation water with a trace of
12 condensate with good pressure. They came in and perforated
13 all of the sand and completed the well for 4-million on
14 open flow in July of 1975.

15 There is no report of any production from
16 this zone. We think what happened was it watered out
17 through this lower set of perforations.

18 And there was no workover ever performed
19 on this particular well. It was plugged back and completed
20 from the Bone Springs.

21 This is one of the bases for the gas/water
22 contact of a -7326. The other basis for the gas/water con-
23 tact is Well No. 6, which is the south offset to our pro-
24 ration unit, the Monsanto Wagner Federal No. 1, and again
25 it had a pretty good sand section within the A-1 zone and

1 they selectively perforated the three sand bodies within
2 that interval, within that zone.

3 The lower one made nothing but water.
4 The middle set of perforations flowed, before they plugged
5 back, 210,000 cubic feet of gas per day, plus 17 barrels
6 of water per hour. They plugged back to this upper sand
7 zone and completed the well for a little over 1-million.

8 This is again another basis for the gas/
9 water contact within this sand zone.

10 I have indicated on the cross section a
11 permeability barrier between Wells Nos. 6 and 7. If you
12 will look at the structural plat you'll see that Well No.
13 7 is about 100 feet low to Well No. 6, which established
14 the gas/water contact, and if you'll look on the net sand
15 Isopach, I have indicated a separation of those two sands,
16 on the net sand Isopach, and that's the reason for the
17 permeability barrier on that cross section, indicated.

18 Q All right, sir, would you refer to Ex-
19 hibits Four and Five and identify those exhibits for me?

20 A Four and Five are waiver letters from
21 Coquina, who owns the acreage on the east half east of our
22 proration unit, and from Sohio Petroleum Company, who owns
23 the acreage to the north.

24 Q Mr. Custer, were Exhibits One through Five
25 either prepared by you directly or compiled under your

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-5462
Santa Fe, New Mexico 87501

1 direction and supervision?

2 A Yes, sir, they were.

3 Q And in your opinion will approval of this
4 application be in the best interests of conservation, the
5 prevention of waste, and the protection of correlative
6 rights?

7 A Yes, sir, it sure will.

8 MR. KELLAHIN: We move the introduction
9 of Exhibits One through Five.

10 MR. STAMETS: These exhibits will be ad-
11 mitted.

12
13 CROSS EXAMINATION

14 BY MR. STAMETS:

15 Q Mr. Custer, just to summarize here, your
16 location gives you good structural advantage.

17 A Yes, sir.

18 Q And puts you far away from the gas/water
19 contact that apparently has caused some problems in other
20 wells?

21 A That's right.

22 Q And also puts you in a good position as
23 to the maximum, or very near the maximum, thickness of the
24 available sand?

25 A That's right.

1 MR. STAMETS: Any other questions of the
2 witness? He may be excused.

3 Anything further in this case?

4 The case will be taken under advisement.

5
6 (Hearing concluded.)
7
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (951) 471-2462
San Diego, New Mexico 87501

REPORTER'S CERTIFICATE

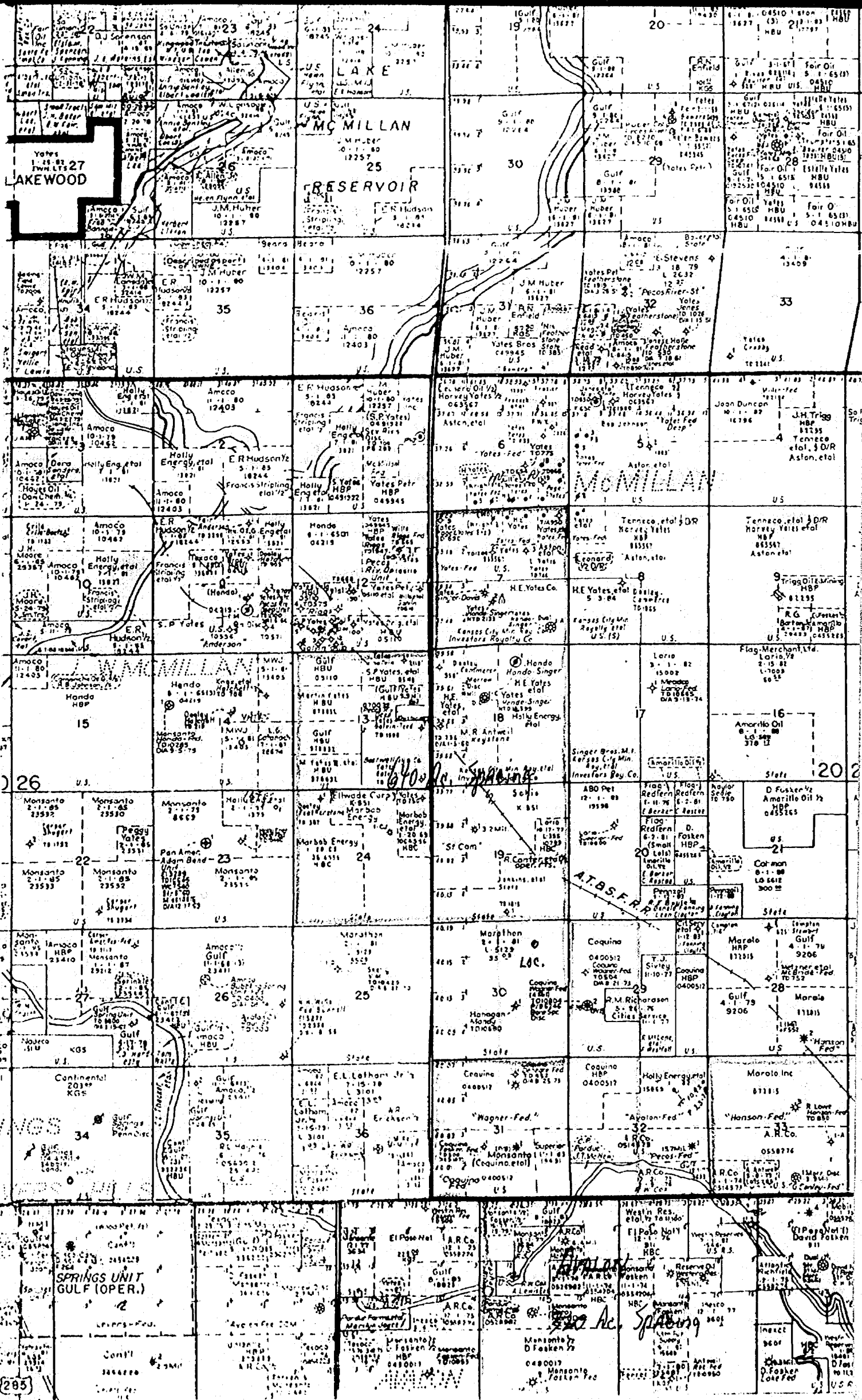
I, SALLY W. BOYD, a court reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that the said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, from my notes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

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. 19
 heard by me on 19

Oil Conservation Division, Examiner

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3020 Plaza Blanca (995) 471-2462
 Santa Fe, New Mexico 87501



July 12, 1979

Re: Mewbourne Oil Company
Marathon-State-Well No. 1
E/2 Sec. 30-T20S-R27E
Eddy County, N.M.

State of New Mexico
Department of Minerals and Energy
Oil Conservation Division
Santa Fe, New Mexico

Gentlemen:

As an offset operator, we hereby waive any objection to Mewbourne Oil Company's drilling the captioned well at an unorthodox location of 1315 feet from the east line and 660 feet from the north line of the captioned section 30 as a 10,800 foot Morrow test.

Yours very truly,

Sohio Petroleum Company

By: *J. H. Walters*

Mewbourne BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 4
CASE NO. 6625
Submitted by _____
Hearing Date _____



COQUINA OIL CORPORATION

P. O. DRAWER 2980
MIDLAND, TEXAS 79701

(915) 682-6271

August 3, 1979

Mewbourne Oil Co.
1010 Wall Towers West
Midland, TX 79701

Re: Unorthodox Location
Eddy County, New Mexico

Gentlemen:

In regard to Mewbourne Oil Company's proposal to drill the No. 1 Marathon State well located 660' FNL, 1315' FEL, Section 30, T-20-S, R-27-E, Eddy County, New Mexico, Coquina Oil Corporation as offsetting operator in the W/2 of Section 29, T-20-S, R-27-E, has no objection to this unorthodox location.

Sincerely,

Tracy P. Clark
Sr. Vice President

dt

BEFORE EXAMINER STARTS	
OIL CONSERVATION DIVISION	
<i>Mewbourne</i>	EXHIBIT NO. <u>5</u>
CASE NO.	<u>6625</u>
Submitted by	_____
Hearing Date	_____

July 12, 1979

Re: Mewbourne Oil Company
Marathon-State-Well No. 1
E/2 Sec. 30-T20S-R27E
Eddy County, N.M.

State of New Mexico
Department of Minerals and Energy
Oil Conservation Division
Santa Fe, New Mexico

Gentlemen:

As an offset operator, we hereby waive any objection to Mewbourne Oil Company's drilling the captioned well at an unorthodox location of 1315 feet from the east line and 660 feet from the north line of the captioned section 30 as a 10,800 foot Morrow test.

Yours very truly,

Sohio Petroleum Company

By: 

Exhibit 4
Case 6625



COQUINA OIL CORPORATION

P. O. DRAWER 2960
MIDLAND, TEXAS 79701

(915) 682-6271

August 3, 1979

Mewbourne Oil Co.
1010 Wall Towers West
Midland, TX 79701

Re: Unorthodox Location
Eddy County, New Mexico

Gentlemen:

In regard to Mewbourne Oil Company's proposal to drill the No. 1 Marathon State well located 660' FNL, 1315' FEL, Section 30, T-20-S, R-27-E, Eddy County, New Mexico, Coquina Oil Corporation as offsetting operator in the W/2 of Section 29, T-20-S, R-27-E, has no objection to this unorthodox location.

Sincerely,

Tracy P. Clark
Sr. Vice President

dt

Exhibit 5
Case 6625

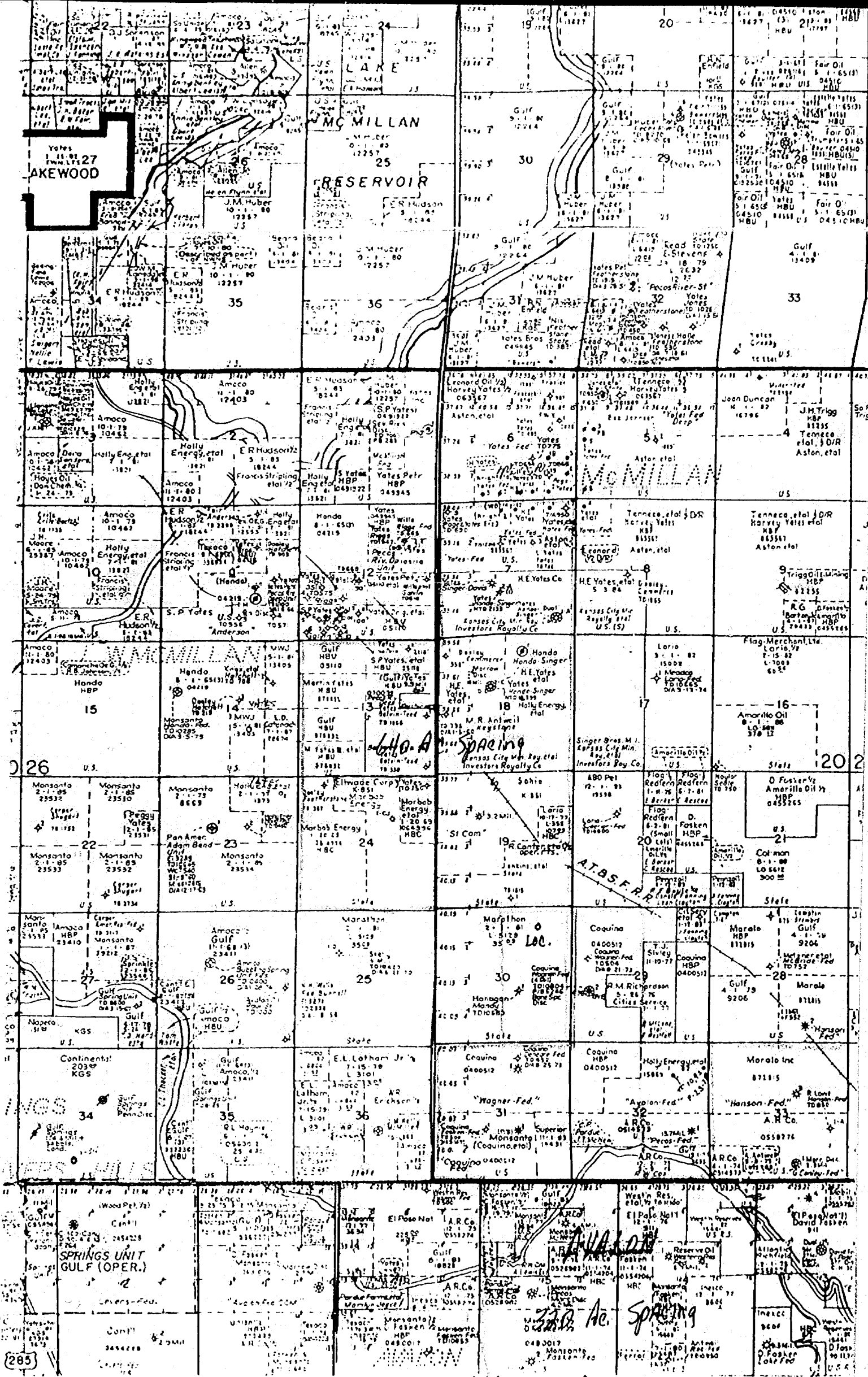


EXHIBIT 1-A
case 6625

July 12, 1979

Re: Mewbourne Oil Company
Marathon-State-Well No. 1
E/2 Sec. 30-T20S-R27E
Eddy County, N.M.

State of New Mexico
Department of Minerals and Energy
Oil Conservation Division
Santa Fe, New Mexico

Gentlemen:

As an offset operator, we hereby waive any objection to Mewbourne Oil Company's drilling the captioned well at an unorthodox location of 1315 feet from the east line and 660 feet from the north line of the captioned section 30 as a 10,800 foot Morrow test.

Yours very truly,

Sohio Petroleum Company

By: *J. Walters*

Exhibit 4
Case 6625



COQUINA OIL CORPORATION

P. O. DRAWER 2960
MIDLAND, TEXAS 79701

(915) 682-6271

August 3, 1979

Mewbourne Oil Co.
1010 Wall Towers West
Midland, TX 79701

Re: Unorthodox Location
Eddy County, New Mexico

Gentlemen:

In regard to Mewbourne Oil Company's proposal to drill the No. 1 Marathon State well located 660' FNL, 1315' FEL, Section 30, T-20-S, R-27-E, Eddy County, New Mexico, Coquina Oil Corporation as offsetting operator in the W/2 of Section 29, T-20-S, R-27-E, has no objection to this unorthodox location.

Sincerely,

Tracy P. Clark
Sr. Vice President

dt

Exhibit 5
Case 6625

Docket No. 29-79

Dockets Nos. 32-79 and 33-79 are tentatively set for hearing on August 22 and September 5, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - AUGUST 7, 1979

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

CASE 6590: (Continued from July 25, 1979, Examiner Hearing)

Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6612: Application of Gulf Oil Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9 thru 16 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6555: (DE NOVO)

Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

Upon application of Texas Oil & Gas Corp. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6596: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: (Continued from July 24, 1979, Commission Hearing)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

CASE 6601: (Continued from July 25, 1979, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 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. 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 6622: Application of Adams Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 15, Township 24 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. 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 6623: Application of Penroc Oil Corporation for approval of infill drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the recompletion in the Morrow formation of its Dero "A" Federal Well No. 1 located in Unit N of Section 35, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6624: Application of Belco Petroleum Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a well to be located in Unit K of Section 31, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6625: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be located 660 feet from the North line and 1315 feet from the East line of Section 30, Township 20 South, Range 27 East, the E/2 of said Section 30 to be dedicated to the well.

CASE 6603: (Continued from July 25, 1979, Examiner Hearing)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6587: (Continued and Readvertised)

Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Kirtland Well No. 4 located 1450 feet from the North line and 595 feet from the West line of Section 18, Township 29 North, Range 14 West.

Docket No. 31-79

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 15, 1979

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 September, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for September, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

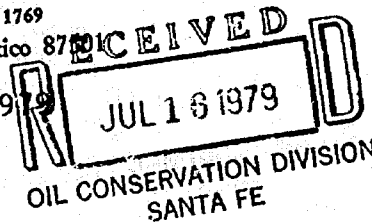
Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law

500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

July 12, 1979



Mrs. Florene Davidson
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Mewbourne Oil Company

Case 6625

Dear Florene:

This will confirm my telephone request of July 12, 1979 to amend our Application for Mewbourne Oil Company's unorthodox well location to be heard on August 8, 1979 to the following locations: 1315 feet from the East line and 660 feet from the North line of Section 30.

Very truly yours,

A handwritten signature in dark ink, appearing to be "W. Thomas Kellahin".

W. Thomas Kellahin

WTK:eps

cc: Mr. Don Hayden

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

RECEIVED
JUL 13 1979

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

Telephone 982-4285
Area Code 505

OIL CONSERVATION DIVISION July 11, 1979
SANTA FE

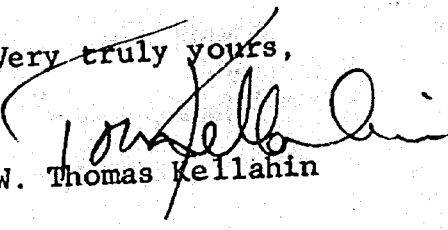
Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Mewbourne Oil Company
Unorthodox well location

Dear Joe:

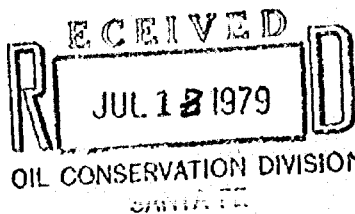
Please set the enclosed Application for hearing
on August 8, 1979.

Very truly yours,


W. Thomas Kellahin

C:eps
closure

cc: Mr. Donald C. Haden



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

IN THE MATTER OF THE
APPLICATION OF MEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, EDDY COUNTY,
NEW MEXICO

Case 6625

A P P L I C A T I O N

COMES NOW MEWBOURNE OIL COMPANY, by its attorneys and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location, ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of Section 30, T20S, R27E, NMPM, Eddy County, New Mexico, undesignated morrow pool, and would show the Division:

1. Applicant has the right to drill and develop acreage with the E/2 of Section 30, T20S, R27E, NMPM.
2. Applicant proposes to drill its Mewbourne #1 Marathon State Well at an unorthodox well location ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of said Section 30 and to dedicate the E/2 of said Section 30 to the subject well.
3. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

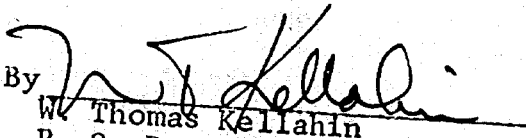
WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required

by law, the Division enter its order approving this application.

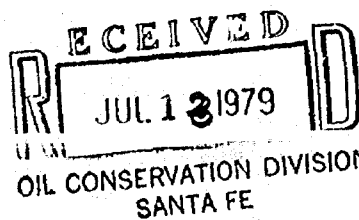
Respectfully submitted,

KELLAHIN & KELLAHIN

By


W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



STATE OF NEW MEXICO

DEPARTMENT OF MINERALS AND ENERGY

OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF NEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, EDDY COUNTY,
NEW MEXICO

Case 6625

A P P L I C A T I O N

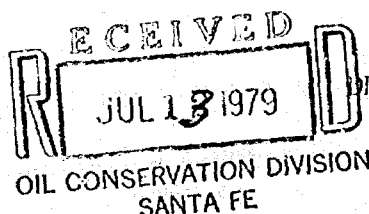
COMES NOW NEWBOURNE OIL COMPANY, by its attorneys and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location, ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of Section 30, T20S, R27E, NMPH, Eddy County, New Mexico, undesignated morrow pool, and would show the Division:

1. Applicant has the right to drill and develop acreage with the E/2 of Section 30, T20S, R27E, NMPH.

2. Applicant proposes to drill its Newbourne #1 Marathon State Well at an unorthodox well location ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of said Section 30 and to dedicate the E/2 of said Section 30 to the subject well.

3. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required



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

IN THE MATTER OF THE
APPLICATION OF MEWBOURNE OIL
COMPANY FOR UNORTHODOX WELL
LOCATION, EDDY COUNTY,
NEW MEXICO

Case 6625

A P P L I C A T I O N

COMES NOW MEWBOURNE OIL COMPANY, by its attorneys and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location, ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of Section 30, T20S, R27E, NMPM, Eddy County, New Mexico, undesignated morrow pool, and would show the Division:

1. Applicant has the right to drill and develop acreage with the E/2 of Section 30, T20S, R27E, NMPM.
2. Applicant proposes to drill its Mewbourne #1 Marathon State Well at an unorthodox well location ¹³¹⁵~~1320~~ feet from the East line and 660 feet from the North line of said Section 30 and to dedicate the E/2 of said Section 30 to the subject well.

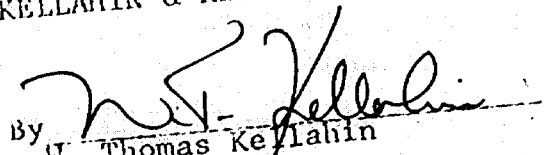
3. Said location will recover gas that would not otherwise be recovered at a standard location, would be in the best interests of conversations, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant prays that this application be set for hearing before the Division's duly appointed examiner and that after notice and hearing as required

by law, the Division enter its order approving this application.

Respectfully submitted,

KELLAHIN & KELLAHIN

By 
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

dr/

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. 6625

ORDER NO. R- 6100

APPLICATION OF MEWBOURNE OIL COMPANY

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8,
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of August, 19 79, 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, Mewbourne Oil Company,
seeks approval of an unorthodox gas well location 660
feet from the North line and 1315 feet from the
East line of Section 30, Township 20 South
Range 27 East, NMPM, to test the Morrow
formation, Eddy
County, New Mexico.

(3) That the E/2 of said Section 30 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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(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 Morrow formation is hereby approved for a well to be ^{for Newbourne Oil Company} drilled at a point 660 feet from the North line and 1315 feet from the East line of Section 30, Township 20 South, Range 27 East NMPM, _____, Eddy County, New Mexico.

(2) That the E/2 of said Section 30 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.