

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. 3642
Order No. R-3305
NOMENCLATURE

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of August, 1967, 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, Pan American Petroleum Corporation, seeks the promulgation of special rules and regulations for the North Osudo-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing units and specified well locations.
- (3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the North Osudo-Morrow Gas Pool.

(4) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in August, 1968, at which time the operators in the subject pool should be prepared to appear and show cause why the North Osudo-Morrow Gas Pool should not be developed on 320-acre spacing units.

(7) That the horizontal limits of the subject pool, as heretofore classified, defined, and described, should be extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 17: N/2

Section 20: S/2

Section 30: W/2

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the North Osudo-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 17: N/2

Section 20: S/2

Section 30: W/2

(2) That temporary Special Rules and Regulations for the North Osudo-Morrow Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTH OSUDO-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the North Osudo-Morrow Gas Pool or in the Morrow formation within one mile

thereof, and not nearer to or within the limits of another designated Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Osudo-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before September 15, 1967.

(2) That any operator desiring to dedicate acreage pursuant to Rule 2 to a well presently drilling to or completed in the North Osudo-Morrow Gas Pool shall file a new Form C-102 with the Commission on or before September 15, 1967.

(3) That this case shall be reopened at an examiner hearing in August, 1968, at which time the operators in the subject pool may appear and show cause why the North Osudo-Morrow Gas Pool should not be developed on 320-acre spacing units.

(4) 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

DAVID F. CARGO, Chairman

S E A L

GUYTON B. HAYS, Member

esr/

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

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. 3642
Order No. R-3305-A

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 7, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of August, 1968, 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 by Order No. R-3305, dated August 29, 1967, temporary Special Rules and Regulations were promulgated for the North Osudo-Morrow Gas Pool, Lea County, New Mexico, for a one-year period.
- (3) That pursuant to the provisions of Order No. R-3305, this case was reopened to allow the operators in the subject pool to appear and show cause why the North Osudo-Morrow Gas Pool should not be developed on 320-acre spacing units.
- (4) That the evidence establishes that one well in the North Osudo-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.
- (5) That the Special Rules and Regulations promulgated by Order No. R-3305 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.
- (6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk

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CASE No. 3642

Order No. R-3305-A

arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-3305 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Osudo-Morrow Gas Pool, promulgated by Order No. R-3305, are hereby continued in full force and effect until further order of the Commission.

(2) 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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/02/06 16:10:31
OGOMES -TQ32
PAGE NO: 1

Sec : 07 Twp : 20S Rng : 36E Section Type : NORMAL

1 39.40	C 40.00	B 40.00	A 40.00
Fee owned	Fee owned	Fee owned A	Fee owned
2 39.39	F 40.00	G 40.00	H 40.00
Fee owned	Fee owned	Fee owned	Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/02/06 15:37:28
OGOMES -TQ32
PAGE NO: 2

Sec : 07 Twp : 20S Rng : 36E Section Type : NORMAL

3 39.38 Fee owned	K 40.00 Fee owned	J 40.00 Fee owned	I 40.00 Fee owned
4 39.37 Fee owned	N 40.00 Fee owned	O 40.00 Fee owned	P 40.00 Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address COG OPERATING LLC 550 W Texas Midland, TX 79701		2. OGRID Number 229137
		3. API Number 30-025-37557
4. Property Code 35218	5. Property Name OSUDO "7" STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	7	20S	36E	B	660	N	1980	E	LEA

8. Pool Information

OSUDO;MORROW, NORTH (GAS)	82160
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3637
14. Multiple N	15. Proposed Depth 12700	16. Formation Morrow	17. Contractor	18. Spud Date 11/20/2005
Depth to Ground water 50		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay: _____ Pit Volume: 25000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	500	0
Int1	12.25	9.625	40	5200	1400	0
Prod	8.75	5.5	17	12700	900	7500

Casing/Cement Program: Additional Comments

Dr 17-1/2" w/ fr wtr mud system to 600'. Run & set 13-3/8" 48# H40 csg @ 600' & cmt w/ 500 sx C1C + add. Circ cmt to surf. Dr 12-1/4" w/ fr/brine wtr to 5200'. Run & set 9-5/8" 40# J55/HCK55 csg @ 5200'. Cmt w/ 1400 sx C1C + add. Circ cmt to surf. Dr 8-3/4" hole w/ fr/brine wtr to 12,700'. Run & set 5-1/2" 17# N80/P110 csg @ 12,700'. Cmt w/ 900 sx C1H + add. Circ cmt to +/- 7500'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1250	
DoubleRam	5000	5000	
Annular	5000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCID guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Keutz	
	Title: Geologist	
	Approved Date: 11/16/2005	Expiration Date: 11/16/2006
	Conditions of Approval Attached	

Printed Name: Electronically filed by Diane Kuykendall
 Title: Regulatory Analyst
 Email Address: dkuykendall@conchoresources.com
 Date: 11/9/2005 Phone: 432-685-4372

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
 Permit 16343

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37557	2. Pool Code 82160	3. Pool Name OSUDO,MORROW, NORTH (GAS)
4. Property Code 35218	5. Property Name OSUDO "7" STATE	6. Well No. 001
7. OGRID No. 229137	8. Operator Name COG OPERATING LLC	9. Elevation 3637

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	7	20S	36E		660	N	1980	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 637.54		13. Joint or Infill		14. Consolidation Code			15. Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION			
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>			
	E-Signed By: Diane Kuykendall Title: Regulatory Analyst Date: 11/9/2005			
	SURVEYOR CERTIFICATION			
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>				
Surveyed By: Gary Eidson Date of Survey: 9/1/2005 Certificate Number: 12641				

Permit Comments

Operator: COG OPERATING LLC , 229137

Well: OSUDO "7" STATE #001

API: 30-025-37557

Created By	Comment	Comment Date
KSHARP	requested verification of mineral ownership for w/160 ac of Section (lots 1,2,3,4) from Jeff Albets/ State Land	11/9/2005

Permit Conditions of Approval

Operator: COG OPERATING LLC , 229137

Well: OSUDO "7" STATE #001

API: 30-025-37557

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 10, 1995

J & G Enterprise Ltd., Company
c/o Derrel C. Melton
5495 Belt Line Road, Suite 353
Dallas, Texas 75240

Administrative Order NSP-1744(L)

Dear Mr. Melton:

Reference is made to your application on behalf of the operator, J & G Enterprise Ltd., Company, dated June 1, 1995 and supplemented by letter dated September 7, 1995 for a 318.59-acre non-standard gas spacing and proration unit consisting of the following acreage in the North Osudo-Morrow Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 6: Lots 6 and 7, NE/4, and E/2 NW/4 (S/2 equivalent)

It is my understanding that this unit is to be dedicated to the existing Mallard Alves Well No. 1 (API No. 30-025-22191), located 660 feet from the South line and 990 feet from the East line (Unit P) of said Section 6. This location, pursuant to **Rule 4** of the "*Special Rules and Regulations for the North Osudo-Morrow Gas Pool*", is considered to be "unorthodox".

By authority granted me under the provisions of **Rules 3 and 5** of said special pool rules the above-described 318.59-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Mallard Alves Well No. 1 are hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

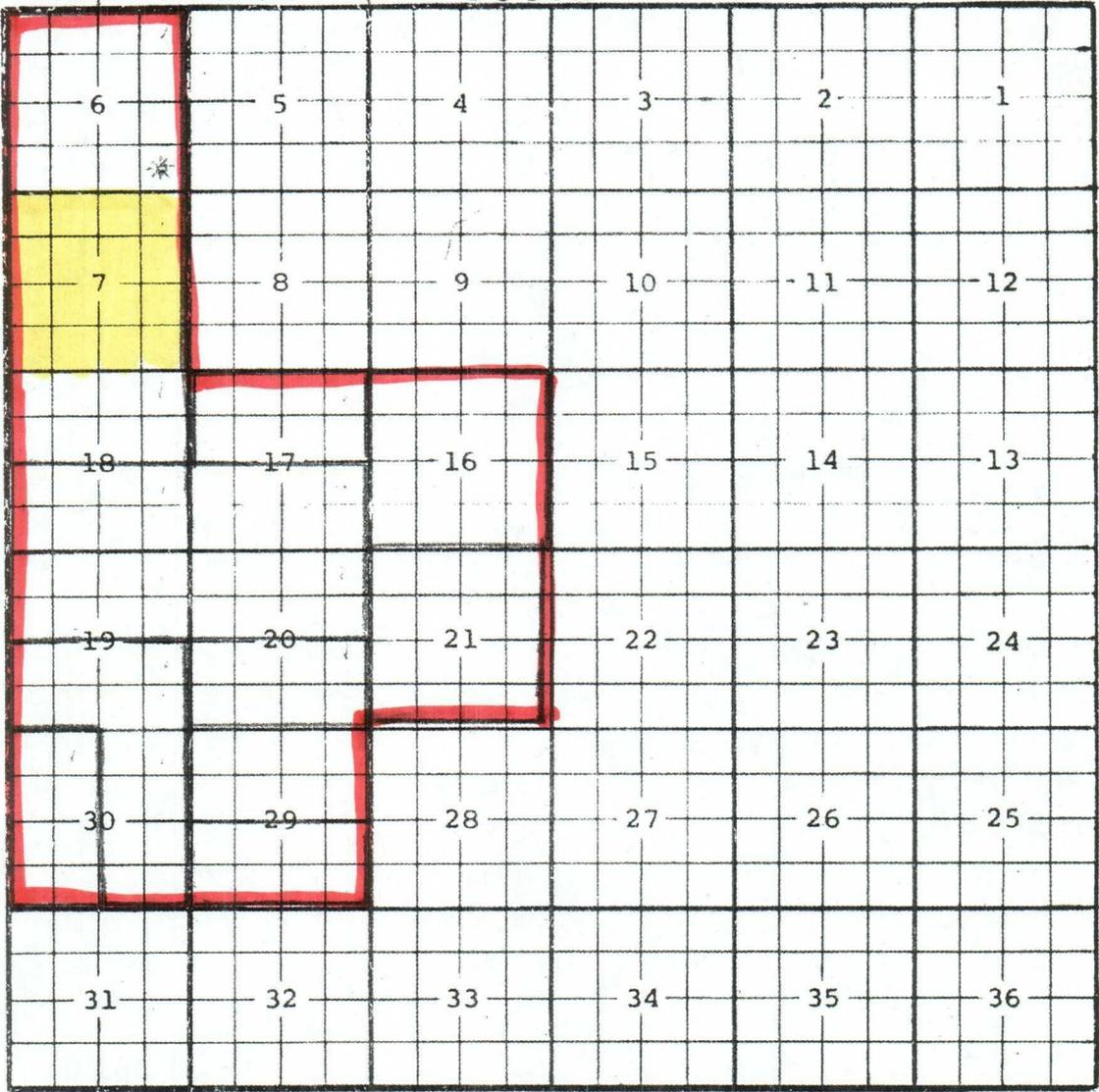
William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

COUNTY *Lea* POOL *North Osudo - Morrow Gas*

TOWNSHIP *20 South* RANGE *36 East* NMPM



Description: $\frac{S}{2}$ Sec. 17; $\frac{S}{2}$ Sec. 18; $\frac{N}{2}$ Sec. 19; $\frac{N}{2}$ Sec. 20 (R-2937, 7-13-65)
 Ext: $\frac{S}{2}$ Sec. 19; $\frac{E}{2}$ Sec. 30 (R-3152, 12-1-66) - $\frac{N}{2}$ Sec. 17; $\frac{S}{2}$ Sec. 20; $\frac{W}{2}$ Sec. 30 (R-3305, 8-29-67)
 - All Sec. 6 & 7; $\frac{N}{2}$ Sec. 18 (R-3342, 12-1-67) Ext: $\frac{N}{2}$ Sec. 29 (R-6695, 6-1-79)
 Ext: $\frac{S}{2}$ Sec. 29 (R-6476, 10-1-80) Ext: All Sec. 16 (R-6576, 2-10-81)
 Ext: All Sec. 21 (R-10922, 4-13-98)

