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BEFORE THE OIL CONSERVATION COMPASSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF JOHN J. REDFERN, JR. FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION TO RULES 2, 3 AND 6(A) OF THE SPECIAL RULES AND REGULATIONS APPLICABLE TO THE FULCHER KUTZ-PICTURED CLIFFS GAS POOL AS SET FORTH IN ORDER NO. R-565-C TO PERMIT THE ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT OF 197.96 CONTIGUOUS ACRES CONSISTING OF LOTS 1, 2 AND 3, THE $\frac{1}{2}$ OF SE4 AND SE4 OF SW4 OF SECTION 9, TOWNSHIP 28 NORTH, RANGE 11 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO.

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APPLICATION

Atwood & Malone, and applies to the Oil Conservation Commission of the State of New Mexico, for an exception to Rules. 2, 3 and 6(A) of the Special Rules and Regulations applicable to the Fulcher Kutz-Pictured Cliffs gas pool, and for the approval of a non-standard gas proration unit consisting of 197.96 contiguous acres described as follows:

Lots 1, 2 and 3, the $S_{\frac{1}{2}}$ of $SE_{\frac{1}{4}}$ and $SE_{\frac{1}{4}}$ of $S_{\frac{1}{4}}$ of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico,

and in support of said application states:

- 1. The above described acreage is owned in fee by the United States of America and is covered by Federal Leases Nos. NM-010063 (formerly SF-078780) and SF-047019B and NM-021116.
- 2. Applicant is the operator of the leasehold estate in the above described acreage and all parties owning either a working interest or an overriding royalty interest therein are now in the process of executing a communitization agreement

pooling their respective interests for the purpose of developing and producing dry gas and associated liquid hydrocarbons from the Pictured Cliffs formation underlying such acreage.

- 3. Applicant has completed a well on the above described acreage known as the Hazle L. Gentle No. 1 Well located in the $S\sqrt{4}$ of the SE_4 , 1520 feet from the East line and 1100 feet from the South line, of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico.
- 4. Applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Fulcher Kutz-Pictured Cliffs Pool unless a non-standard proration unit consisting of the above described acreage is permitted.
- 5. The creation of the non-standard proration unit consisting of the above described acreage will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that the Commission give due notice of the filing of this Application, that a hearing be had hereon, and that contingent upon completion of the execution of the aforementioned Communitization Agreement that the Commission grant the necessary exceptions to the provisions of Order No. R-565-C, and approve a non-standard proration unit in the Fulcher Kutz-Pictured Cliffs Pool consisting of

Lots 1, 2 and 3, the $S\frac{1}{2}$ of SE_4 and SE_4 of SJ_4 of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico,

and grant the Hazle L. Gentle No. 1 Well located in the SW_4 of the SE_4 , 1520 feet from the East line and 1100 feet from the South line, of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, an allowable in the proportion that

the above described 197.96 acre unit bears to the standard proration unit.

Respectfully submitted,

JOHN J. REDFERN, JR.

of ATWOOD & MALONE Roswell Petroleum Building Roswell, New Mexico