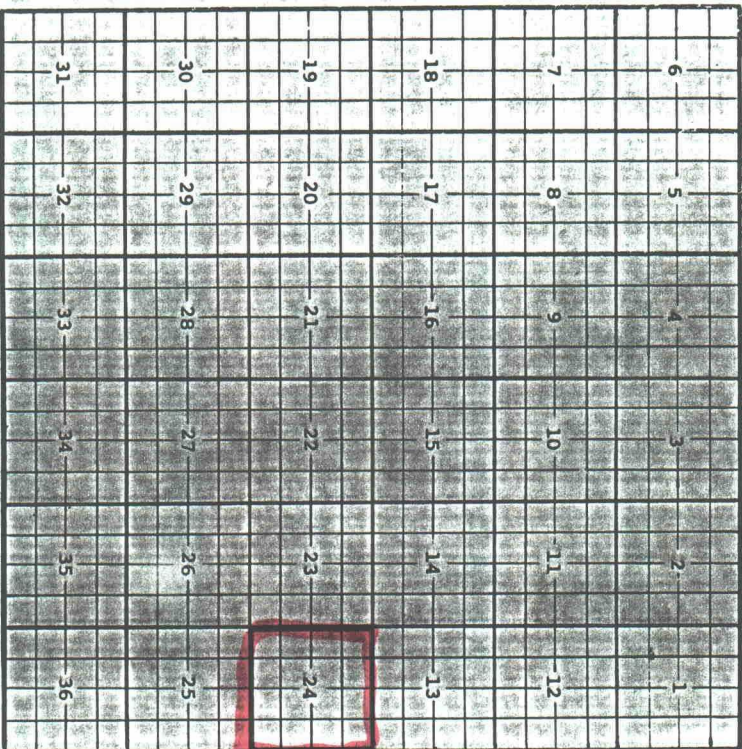


COUNTY Eddy POOL Lusk - Yates - Seven Rivers (gates)

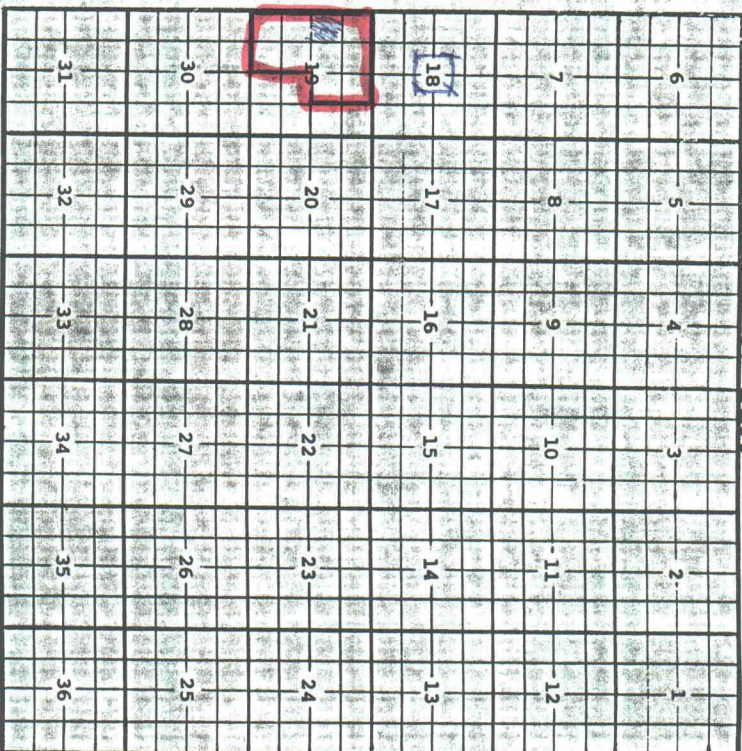
TOWNSHIP 19-South RANGE 32-East NMPM



Description: 411 Sec. 24, (950.1-1-50)
Redesignated to Lusk - Yates - Seven Rivers (R-6724, 7-16-81)

COUNTY Lea POOL Lusk - Yates - Seven Rivers (gates)

TOWNSHIP 19-South RANGE 32-East NMPM



Description: 411 Sec. 19 - 411 Sec. 19 (6-11-76-51)
Redesignated to Lusk - Yates - Seven Rivers (R-6724, 7-16-81)

COUNTY Eddy

POOL Greenwood - Bane Springs

TOWNSHIP 19-South

RANGE 31-East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: NE 1/4 Sec. 12 (E-2427, 3-1-63)

COUNTY *Lea*

POOL *Lusk - Bone Springs*

TOWNSHIP *19 South*

RANGE *32 East*

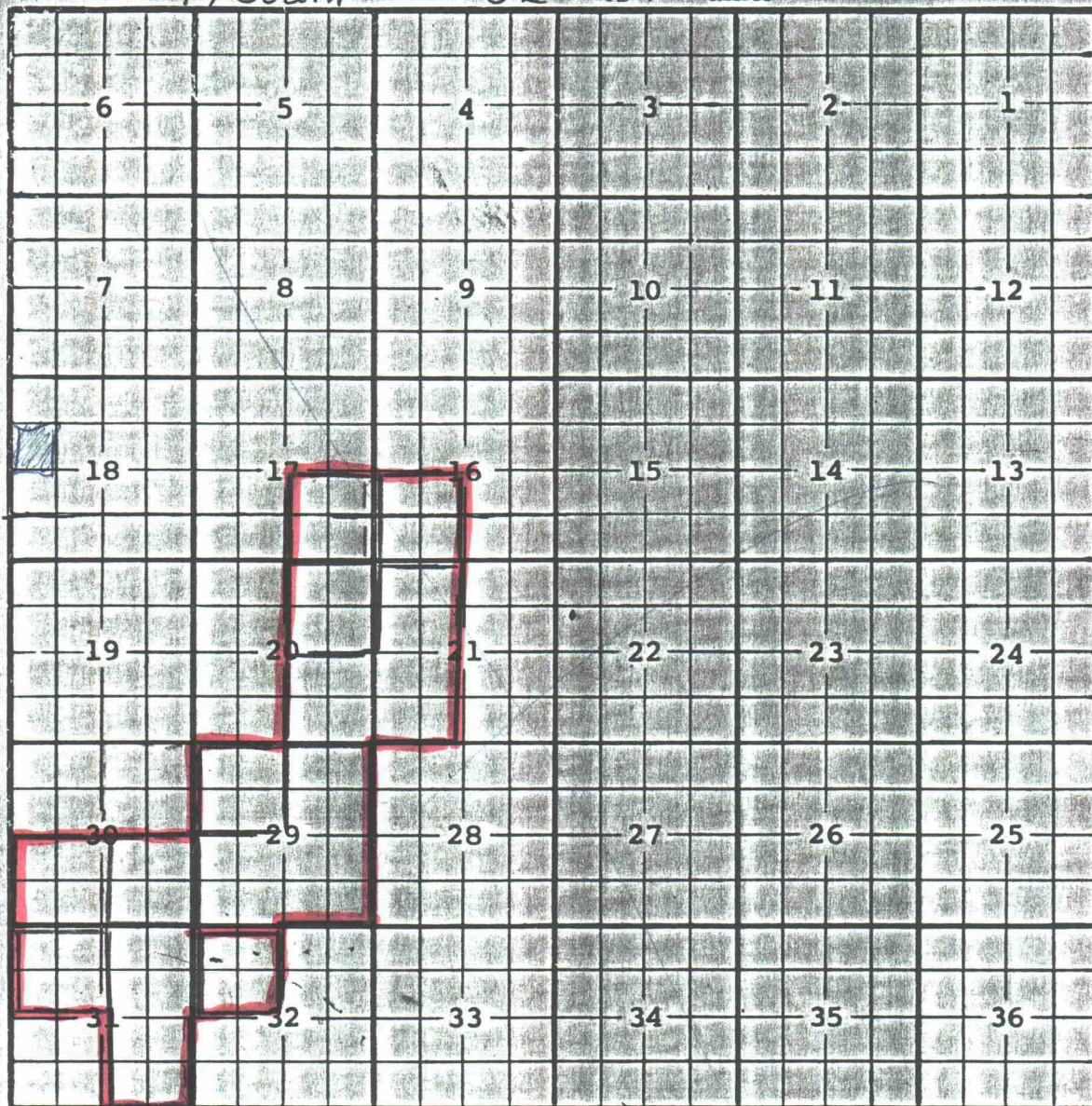
NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: *$\frac{NE}{4}$ Sec. 19 (R-1878, 3-1-61)*

COUNTY Lea POOL West Lusk-Delaware

TOWNSHIP 19 South RANGE 32 East NMPM



Description: NW 1/4 Sec. 32 (R-8461, 6-25-87)

Ext: E 1/2 and SW 1/4 Sec. 29 (R-8480, 7-23-87) EXT: SE 1/4 SEC 30 (R-8561, 7-4-87)

EXT: E 1/2 SEC. 31 (R-8584, 11-1-88) EXT: NW 1/4 SEC 31 (R-8667, 6-10-88)

EXT: NW 1/4 SEC 29 (R-8696, 7-22-88) EXT: SE 1/4 Sec. 20, W 1/2 Sec. 21 (R-8272, 10-24-88)

EXT: NE 1/4 sec 20 (R-8746, 7-1-89) EXT: SW 1/4 sec 16 (R-9741, 9-1-89)

EXT: SE 1/4 SEC 17 (R-9038, 12-1-89) EXT: SW 1/4 Sec. 30 (R-9345, 11-7-90)

COUNTY EddyPOOL Shugart

(Y-SR-Q-G)

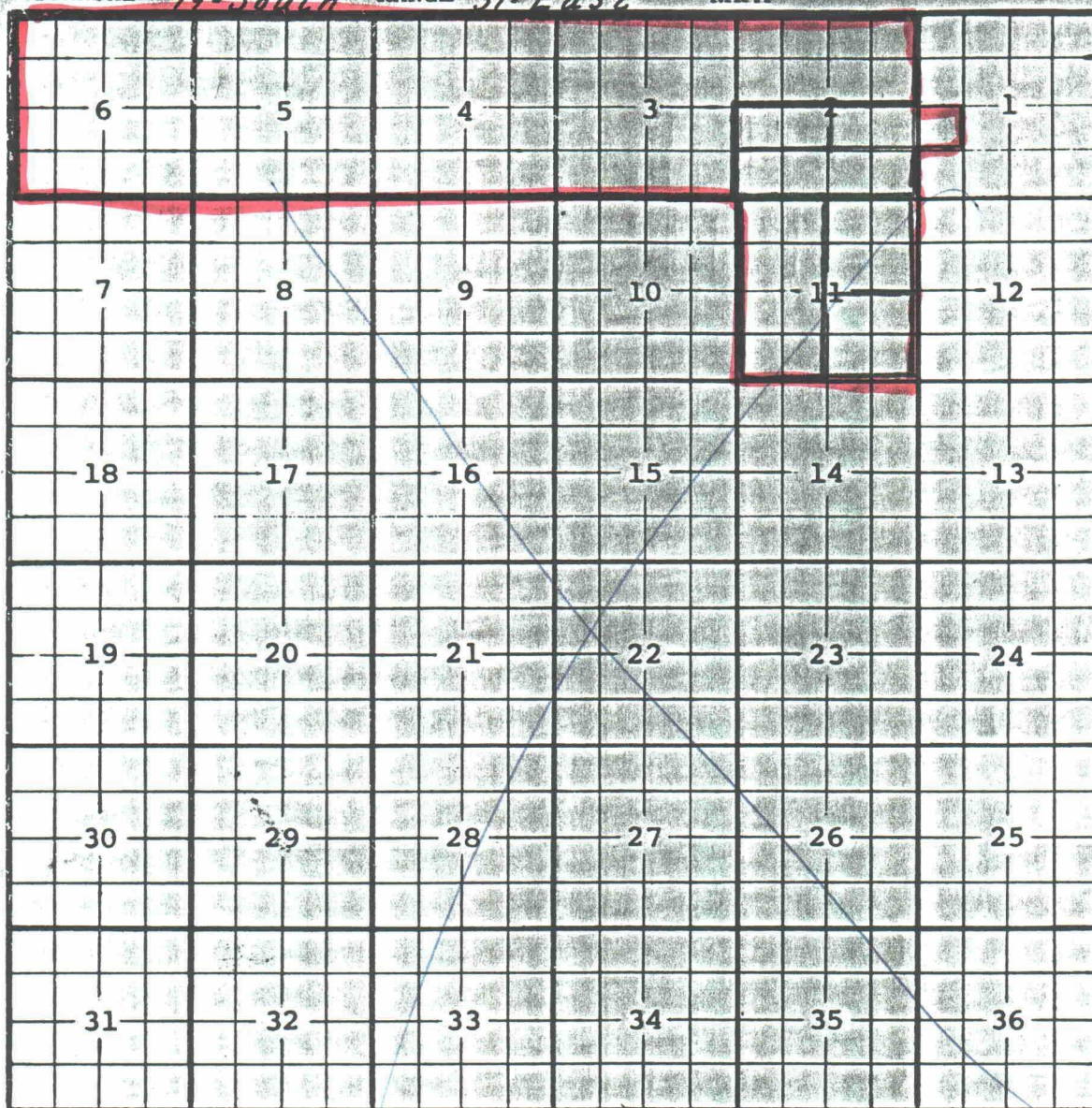
TOWNSHIP

19-South

RANGE

31-East

NMPM



Description: $\frac{NW}{4}$ Sec. 2; $\frac{N}{2}$ Sec. 3.

Ext: $\frac{NE}{4}$ $\frac{S}{2}$ Sec. 4 (R-1572, 2-1-60); $\frac{NE}{4}$ Sec. 2; $\frac{SW}{4}$ Sec. 3, (R-1611, 3-1-60); $\frac{SE}{4}$ Sec. 3, (R-1681, 6-1-60); $\frac{E}{2}$ $\frac{NW}{4}$ Sec. 4, (R-1857, 2-1-61); $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 4; $\frac{E}{2}$ $\frac{NE}{4}$ Sec. 5, (R-1907, 4-1-61).

Redefined: $\frac{N}{2}$ Sec. 2; All Secs. 3 thru 6, (R-2128, 11-29-61).

Ext: $\frac{N}{2}$ $\frac{SE}{4}$ Sec 2 (R-5226, 7-1-76) Ext: $\frac{NW}{4}$ $\frac{SW}{4}$ Sec 1 (R-5754, 7-1-78)

Ext: $\frac{N}{2}$ $\frac{SW}{4}$ Sec 2 (R-5988, 5-1-79) Ext: $\frac{S}{2}$ $\frac{SW}{4}$ Sec. 2 (R-6499, 11-1-80)

Ext: $\frac{W}{2}$ Sec 11, (R-9418, 2-1-91) Ext: $\frac{SE}{4}$ Sec. 11 (R-9545, 7-1-91)

Ext: $\frac{NE}{4}$ Sec. 11 (R-9625, 1-15-92)

COUNTY Lee

POOL

WatkinsYates-Seven Rivers-Queen-Grayburg

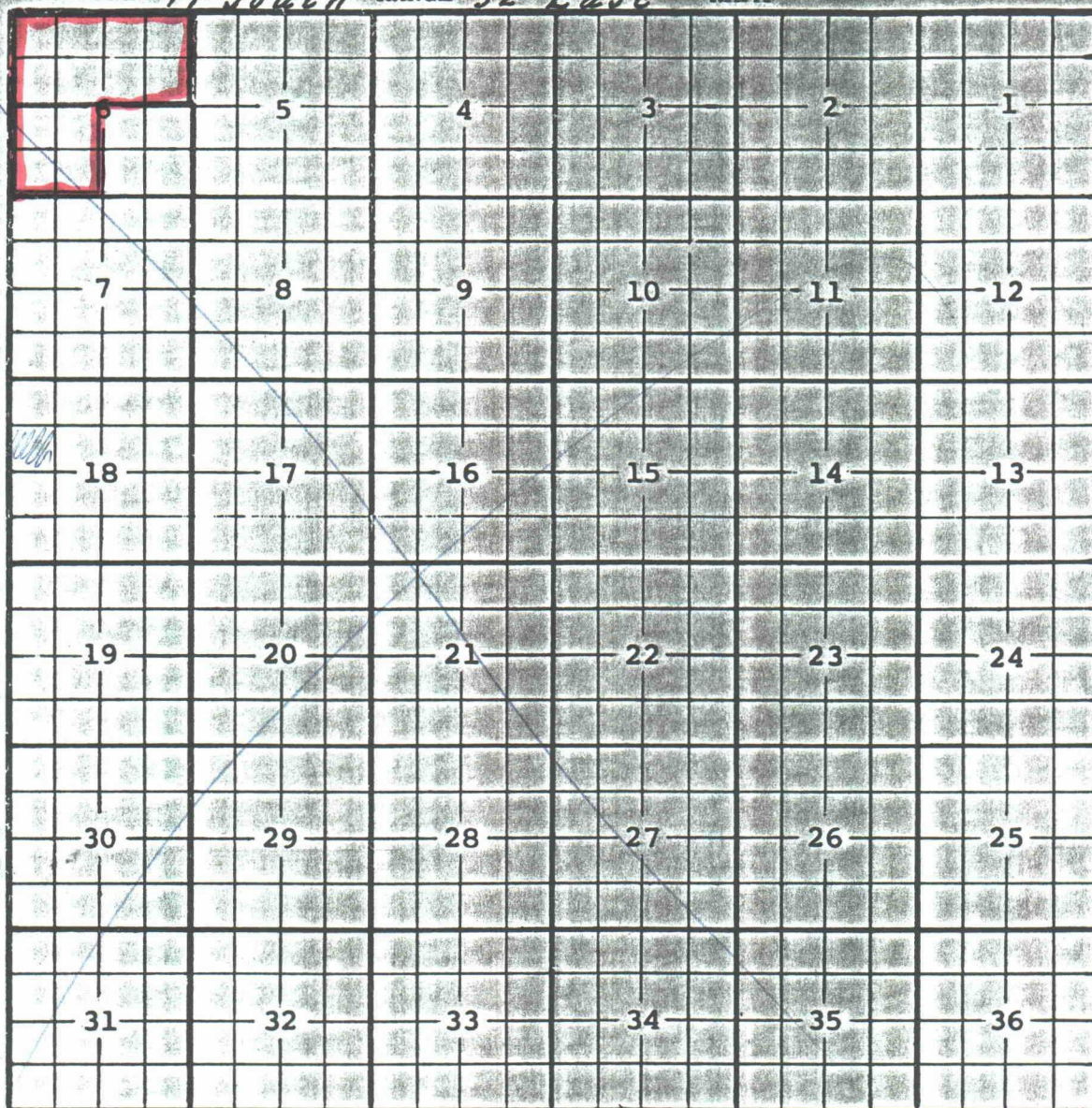
TOWNSHIP

19-South

RANGE

32-East

NMPM

Description: $\frac{1}{2}$ Sec. 6.

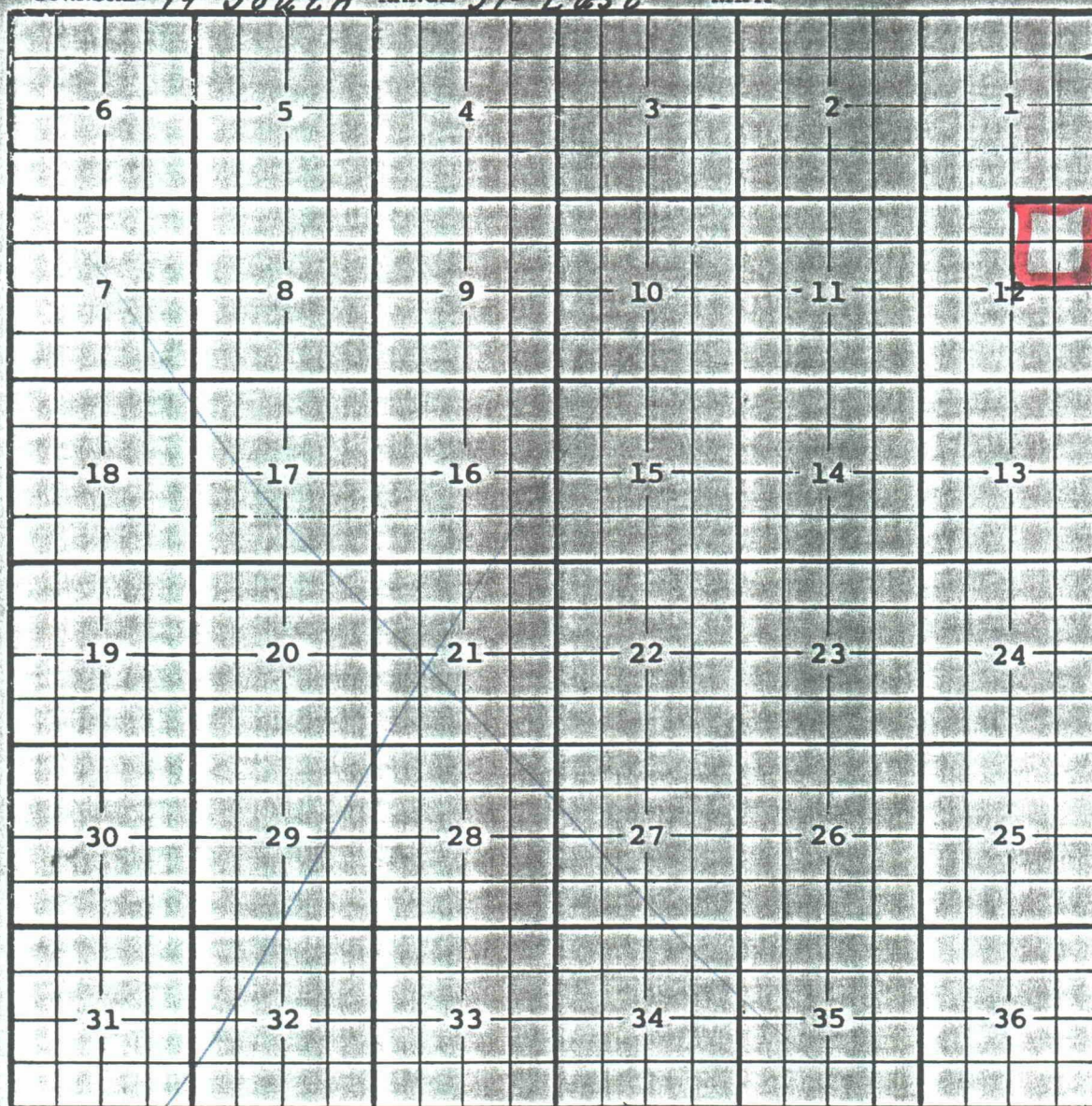
Ext: Vertical limits extended to include Yates, Seven Rivers,
& Queen formations. Redesignated to Watkins Yates-Seven Rivers-
Queen-Grayburg Pool (R-5309, 11-1-76) Ext: $\frac{SW}{4}$ Sec 6 (R-5876, 12-1-78)

COUNTY *Eddy*

POOL *Greenwood - Straun*

TOWNSHIP *19-South* RANGE *31-East*

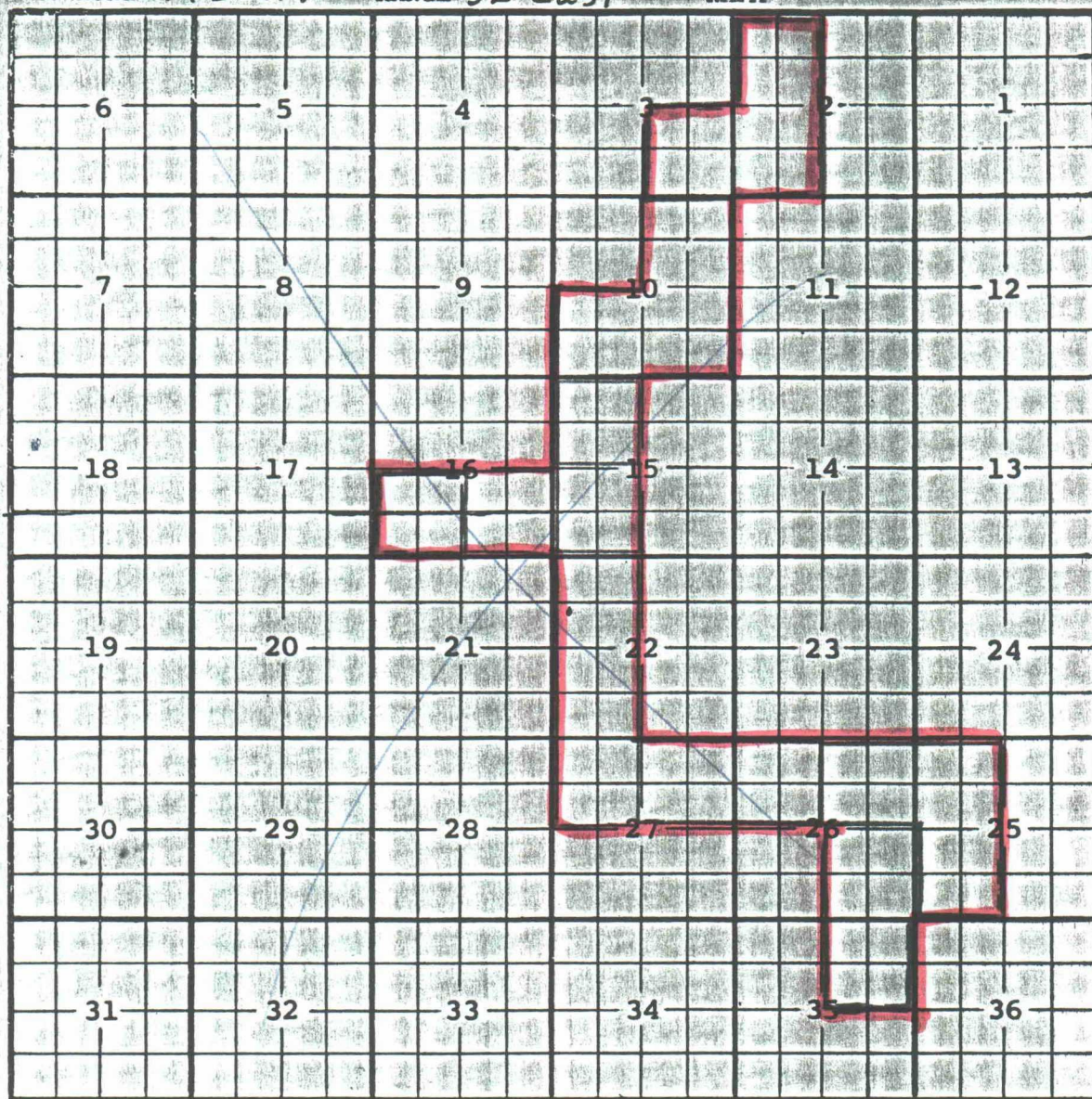
NMPM



Description: *N¹/₄ Sec. 12 (K-24273-1-63)*

COUNTY LeaPOOL East Lusk - Bone SpringsTOWNSHIP 19 SouthRANGE 32 East

NMPM



Description: NW/4 Sec. 15 (R-4995, 5-1-75)

Ext: SW/4 Sec 15 (R-5338, 1-1-77) Ext: W/2 Sec 22, NW/4 Sec 27 (R-5456, 7-1-77)

Ext: SE/4 Sec 16 (R-5534, 10-1-77) Ext: E/2 and SW/4 Sec 10 (R-6005, 6-1-79)

Ext: NW/4 Sec. 26, NE/4 Sec 27 (R-8214, 5-1-86)

EXT: W/2 SEC. 2, SE/4 SEC. 3 (R-8584, 11-1-88) EXT: W/2 SEC 25, NE/4 SEC 26

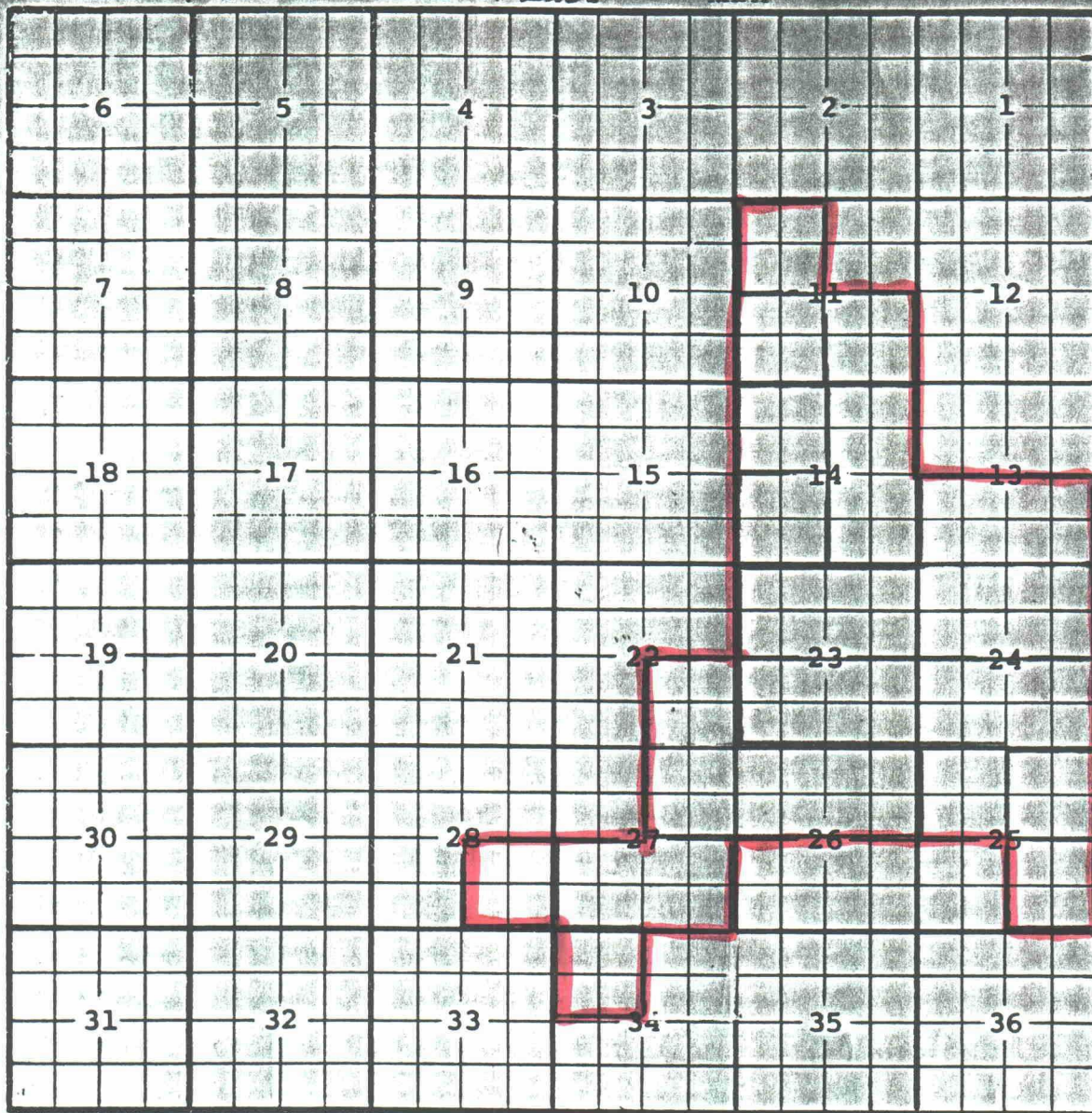
(R-9038, 12-1-89) EXT: SW/4 SEC 16, SE/4 SEC 26, NE/4 SEC 35 (R-9447, 3-1-91)

COUNTY *Eddy*

POOL

*Lusk - Strawn*TOWNSHIP *19 South*RANGE *31 East*

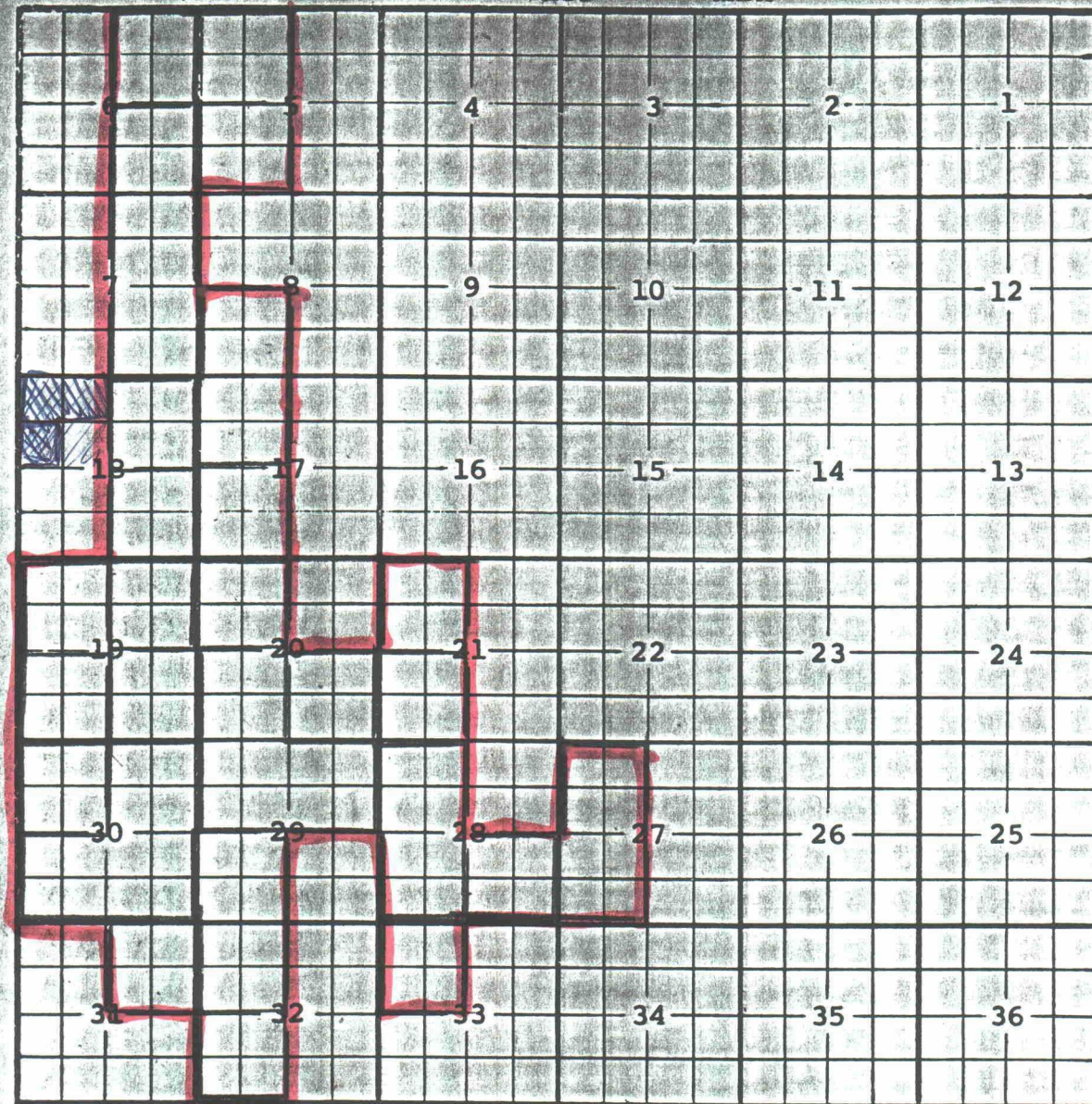
NMPM



Ext: NE $\frac{1}{4}$ Sec. 25 (R-2602, 12-1-63) - $\frac{1}{2}$ Sec. 23; $\frac{1}{2}$ Sec. 24 (R-2651, 3-1-64)
- NW $\frac{1}{4}$ & SE $\frac{1}{4}$ Sec. 25 (R-2726, 7-1-64) - $\frac{1}{2}$ Sec. 13; $\frac{1}{2}$ Sec. 23; $\frac{1}{4}$ Sec. 24 (R-2870, 3-1-65)
- SE $\frac{1}{4}$ Sec. 22; $\frac{1}{2}$ Sec. 26; $\frac{NE}{4}$ Sec. 27 (R-2911, 6-1-65) - $\frac{E}{2}$ Sec. 14; $\frac{1}{2}$ Sec. 27;
NW $\frac{1}{4}$ Sec. 34 (R-2985, 11-1-65) - $\frac{NW}{4}$ Sec. 14 (R-3067, 6-1-66) - $\frac{SW}{4}$ Sec. 14 (R-3104, 9-1-66)
- $\frac{SE}{4}$ Sec. 28 (R-3152, 12-1-66) - $\frac{SW}{4}$ Sec. 11 (R-3237, 6-1-67) - $\frac{NW}{4}$ & $\frac{SE}{4}$ Sec. 11 (R-3319, 10-1-67)

TOWNSHIP *19 South*RANGE *32 East*

NMPM



Description: $\frac{NE}{4}$ Sec. 19 (R-1840, 1-1-61)

Ext: $\frac{SE}{4}$ Sec. 18 (R-2062, 10-1-61) - $\frac{NW}{4}$ Sec. 20 (R-2187, 3-1-62) - $\frac{NE}{4}$ Sec. 18; $\frac{SW}{4}$ Sec. 20;
 $\frac{N}{2}$ Sec. 29 (R-2338, 11-1-62) - $\frac{SE}{4}$ Sec. 20; $\frac{NE}{4}$ & $\frac{SE}{4}$ Sec. 30 (R-2427, 3-1-62)
- $\frac{NW}{4}$ Sec. 30 (R-2501, 7-1-63) - $\frac{SE}{4}$ Sec. 19 (R-2569, 10-1-63) - $\frac{W}{2}$ Sec. 28 (R-2651, 3-1-64)
- $\frac{SW}{4}$ Sec. 8; $\frac{NW}{4}$ Sec. 17; $\frac{SW}{4}$ Sec. 19; $\frac{SW}{4}$ Sec. 21; $\frac{SE}{4}$ Sec. 28; $\frac{SW}{4}$ Sec. 29; $\frac{NW}{4}$ Sec. 32 (R-2692, 5-1-64)
- $\frac{W}{2}$ Sec. 21 (R-2726, 7-1-64) - $\frac{SE}{4}$ Sec. 6; $\frac{E}{2}$ Sec. 7; $\frac{NW}{4}$ Sec. 21; $\frac{NE}{4}$ Sec. 31; $\frac{NW}{4}$ Sec. 33 (R-2760)
- $\frac{SW}{4}$ Sec. 5; $\frac{NE}{4}$ Sec. 6; $\frac{SW}{4}$ Sec. 32 (R-2804, 12-1-64) - $\frac{NW}{4}$ Sec. 5; $\frac{NW}{4}$ Sec. 19 (R-2857)
- $\frac{SW}{4}$ Sec. 17 (R-2895, 5-1-65)

County LEA

Pool LUSK - ATOKA GAS

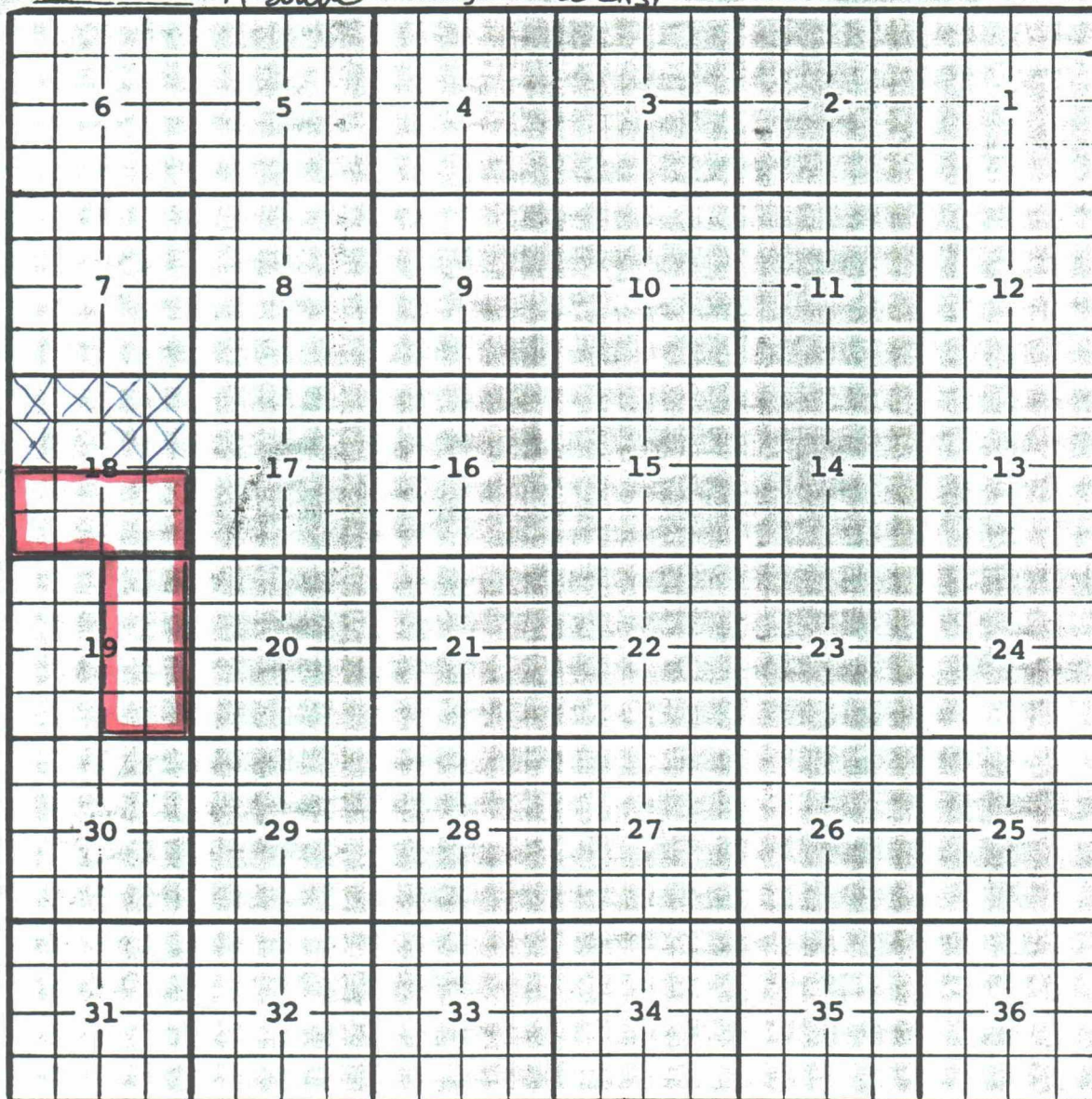
TOWNSHIP

19 South

Range

32 EAST

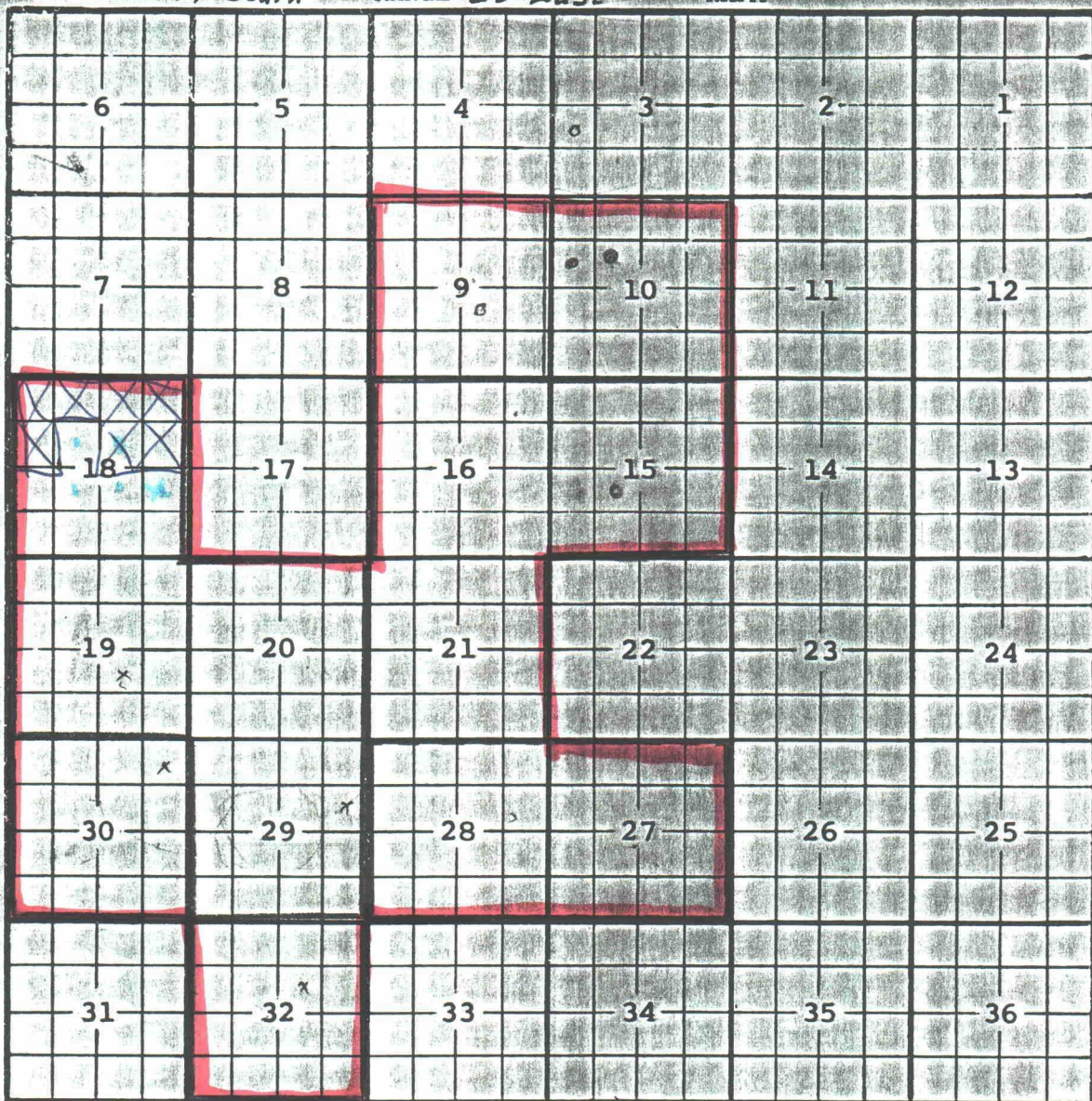
NMPM



Designation: 1/2 Sec. 18, (R-6368, 7-1-80) EXT. E/2 SEC 19 (R-9038, 12-1-89)

COUNTY *Lea*POOL *Lusk-Morrow Gas*TOWNSHIP *19 South*RANGE *32 East*

NMFM



Description: All Sec. 18, 19, 20 & 29 (R-2373, 11-21-62).

Ext: All Secs. 27 & 28, (R-2449, 4-1-63) - All Sec 30 (R-3219, 5-1-67).

- All Sec. 32 (R-4032, 10-1-70) - All Secs 15, 16 & 21 (R-4339, 7-17-72)

Ext: All Sec 9 (R-5252, 9-1-76) Ext: All Sec 10 (R-5729, 6-1-78)

(FLORA VISTA-MESAVERDE GAS POOL—Cont'd.)

and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Flora Vista-Mesaverde Gas Pool.

(4) The length or width of the non-standard unit does not exceed 5280 feet.

(5) 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 any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(6) In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

RULE 3. (a) Each well completed or recompleted in the Flora Vista-Mesaverde Gas Pool shall be located no nearer than 790 feet to the outer boundary of the unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily cause an undue increase in drilling costs.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

LUSK-STRAWN POOL
Lea County, New Mexico

Order No. R-2175-B, Adopting Operating Rules for the Lusk-Strawn Pool, Lea County, New Mexico, April 4, 1962.

Order No. R-2175-B supersedes Order No. R-2175, January 30, 1962.

Application of El Paso Natural Gas Company for the establishment of Special Rules and Regulations for the Lusk-Strawn Pool, Lea County, New Mexico.

CASE NO. 2469
Order No. R-2175-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on March 14, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of April, 1962, the Commission, a

quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, El Paso Natural Gas Company, on rehearing, seeks a modification of the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 entered in Case No. 2469 on January 30, 1962, to provide for the development of said pool on 160-acre proration units.

(3) That the present testimony of the applicant indicates that one well can efficiently drain 160-acres.

(4) That the present testimony of the applicant relative to the economics of drilling in the subject pool indicates that development on less than 160-acre oil proration units would be uneconomical.

(5) That the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 should be modified to provide for 160-acre oil proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Lusk-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE LUSK-STRAWN POOL**

RULE 1. Each well completed or recompleted in the Lusk-Strawn Pool or in the Strawn formation within one mile of the Lusk-Strawn Pool, and not nearer to nor within the limits of another designated Strawn pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Strawn Pool shall be located on a unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

RULE 3. Each well completed or recompleted in said pool shall not be drilled closer than 660 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line. Any well which was drilling to or recompleted in the Lusk-Strawn Pool prior to January 4, 1962, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 160 acres. All operators offsetting the proposed non-standard unit 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 of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Lusk-Strawn Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A 160-acre proration unit (158 through 162 acres) in the Lusk-Strawn Pool shall be assigned a 160-acre proportional factor of 8.67 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

RULE 6. The limiting gas-oil ratio in the Lusk-Strawn Pool shall be 4000:1.

PROVIDED HOWEVER, That the provisions of Rules 5 and 6 shall not become effective until such time as all wells

(LUSK-STRAWN POOL—Cont'd.)

presently completed in the subject pool are connected to a casinghead gas gathering system.

(2) That Order No. R-2175 entered in Case No. 2469 on January 30, 1962, is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

HENSHAW-WOLFCAMP POOL
Eddy County, New Mexico

Order No. R-2182, Creating and Adopting Temporary Operating Rules for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico, March 1, 1962.

Order No. R-2182-A, February 27, 1963, extends existing rules for one year and requires reconsideration at an examiner hearing in February, 1964.

Order No. R-2182-B, April 13, 1964, makes permanent the temporary rules adopted in Order No. R-2182.

CASE NO. 2480
Order No. R-2182

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of February, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Shell Oil Company, seeks the promulgation of temporary special rules and regulations for the Henshaw-Wolfcamp Pool in Eddy County, New Mexico, to provide for 80-acre proration units.

(3) That the evidence presented concerning the reservoir characteristics of the Henshaw-Wolfcamp Pool justifies the establishment of 80-acre proration units in said pool for a temporary one-year period.

(4) That the information presently available and presented as evidence indicates that the Henshaw-Wolfcamp Pool can be efficiently and economically drained on 80-acre proration units.

(5) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, including core data and interference tests.

(6) That this case should be heard again by a duly appointed examiner of the Commission at an examiner hearing in February, 1963, at which time the applicant should be prepared to prove by a preponderance of the evidence the proration unit size on which the subject pool can be most efficiently drained and developed.

(7) That the Henshaw-Wolfcamp Pool should be created for the production of oil from the Wolfcamp formation. Said Henshaw-Wolfcamp Pool was discovered by the applicant's Henshaw Deep Unit Well No. 1, located in the NE/4 NW/4 of Section 24, Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico. The top of the perforations is 8822 feet.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Henshaw-Wolfcamp Pool, consisting of the following-described area:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 24: NW/4 and S/2

(2) That special rules and regulations for the Henshaw-Wolfcamp Pool are hereby promulgated as follows, effective March 1, 1962.

**SPECIAL RULES AND REGULATIONS FOR THE
HENSHAW-WOLFCAMP POOL**

RULE 1. Each well completed or recompleted in the Henshaw-Wolfcamp Pool or in the Wolfcamp formation within one mile of the Henshaw-Wolfcamp Pool, and not nearer to nor within the limits of another designated Wolfcamp Pool shall be spaced, drilled, operated and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Henshaw-Wolfcamp Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit 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 if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Henshaw-Wolfcamp Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the SW/4 or NE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Henshaw-Wolfcamp Pool prior to January 24, 1962, is granted an exception to the well location requirements of this rule.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Henshaw-Wolfcamp Pool shall be assigned an 80-acre

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. 2691
Order No. R-2373

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 a new gas pool for Morrow production should be created and designated the Lusk-Morrow Gas Pool.
- (3) That since March, 1961, the date of the first completion in the Morrow formation in the proposed pool, several wells have subsequently been completed in the Morrow formation and are capable of producing gas therefrom.
- (4) That El Paso Natural Gas Company seeks the promulgation of temporary special rules and regulations for the Lusk-Morrow Gas Pool to provide for 640-acre gas proration units and the allocation of allowables to non-marginal wells in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the subject pool.
- (5) That the evidence presented concerning the economic loss that will occur as a result of drilling of unnecessary wells

justifies the establishment of 640-acre gas proration units in the subject pool for a temporary period of 18 months.

(6) That during the 18-month period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

(7) That this case should be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Lusk-Morrow Gas Pool consisting of the following-described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 18: All
Section 19: All
Section 20: All
Section 29: All

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

SPECIAL RULES AND REGULATIONS
FOR THE
LUSK-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of the Lusk-Morrow Gas Pool, and not nearer to or within the limits of another designated Morrow pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be located on a standard proration unit consisting of approximately 640 contiguous surface acres substantially in the form of a square which is a legal section of the United States Public Lands Survey. For purposes of these rules, a unit containing 632 through 648 acres shall be considered a standard unit.

RULE 3. Each well completed or recompleted in said pool shall be located not closer than 330 feet to the outer boundary

of the SW/4 NE/4, NW/4 SE/4, NE/4 SW/4, or SE/4 NW/4 of the section. Any well drilling to or completed in the Strawn or Morrow formations on the date of this order is hereby granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 640 acres. All operators offsetting the proposed non-standard unit 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 of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The acreage factor assigned to any such non-standard unit shall bear the same ratio to a standard acreage factor in the Lusk-Morrow Gas Pool as the acreage in such non-standard unit bears to 640 acres.

RULE 5. In the event of subsequent prorationing of the Lusk-Morrow Gas Pool, the allowable assigned to a non-marginal well shall be in the same ratio that its acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 6. The vertical limits of the Lusk-Morrow Gas Pool shall be the Morrow formation.

(3) That this case shall be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration 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

EDWIN L. MECHEM, Chairman

S E A L

E. S. WALKER, 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. 2691
Order No. R-2373-A

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of May, 1964, 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-2373, dated November 21, 1962, temporary Special Rules and Regulations were promulgated for the Lusk-Morrow Gas Pool.

(3) That pursuant to the provisions of Order No. R-2373, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

(4) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool, promulgated by Order No. R-2373, should be continued in effect for an additional one-year period in order

to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(5) That this case should be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties should appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

IT IS THEREFORE ORDERED:


(1) That the temporary Special Rules and Regulations for the Lusk-Morrow Gas Pool promulgated by Order No. R-2373 shall be continued in full force and effect for an additional one-year period.

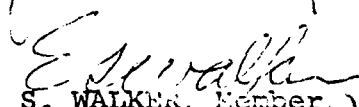
(2) That this case shall be reopened at an examiner hearing in May, 1965, at which time the applicant and all interested parties may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.


(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/

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. 2691
Order No. R-2373-B

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE CREATION OF A NEW
GAS POOL AND ESTABLISHMENT OF SPECIAL
RULES AND REGULATIONS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 12, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of May, 1965, 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-2373, dated November 21, 1962, temporary Special Rules and Regulations were promulgated for the Lusk-Morrow Gas Pool, Lea County, New Mexico.

(3) That by Order No. R-2373-A, dated May 13, 1964, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2373-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre proration units.

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CASE No. 2691

Order No. R-2373-B

(5) That the evidence establishes that one well in the Lusk-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2373 and R-2373-A 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.

(7) That 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, the Special Rules and Regulations promulgated by Orders Nos. R-2373 and R-2373-A 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 Lusk-Morrow Gas Pool promulgated by Orders Nos. R-2373 and R-2373-A 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

esr/

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. 6730
Order No. R-6197

APPLICATION OF PETROLEUM DEVELOPMENT
CORPORATION TO LIMIT 640-ACRE SPACING,
EDDY AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of November, 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 by Order No. R-2373, dated November 21, 1962, the Division created the Lusk-Morrow Gas Pool and promulgated special rules therefor, including a provision for 640-acre spacing and proration units, and said rules were made permanent by Order No. R-2373-B, dated May 19, 1965.
- (3) That said rules were made applicable to wells completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of said pool and not nearer to nor within the limits of another designated pool.
- (4) That the applicant in this case, Petroleum Development Corporation, seeks the amendment of the special rules for the Lusk-Morrow Gas Pool to cause said rules to be applicable only to those wells completed or recompleted within the boundaries of said pool, and not to wells completed or recompleted outside such boundaries but within one mile thereof.

Case No. 6730
Order No. R-6197

(5) That the Lusk-Morrow Gas Pool, as presently defined by the Division, comprises the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

(6) That no operator in the Lusk-Morrow Gas Pool nor within one mile thereof objected to applicant's proposal.

(7) That the limitation of the applicability of the special rules for the subject pool to said pool's boundaries as they currently exist will not impair correlative rights nor cause waste, but indeed may prevent waste by permitting the drilling for and production of gas which might otherwise remain unrecovered, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico, as promulgated by Division Order No. R-2373 dated November 21, 1962, and made permanent by Order No. R-2373-B, dated May 19, 1965, are hereby limited to the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

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Case No. 6730
Order No. R-6197

(2) That Rule 1 of said Special Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth."

(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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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