

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 5, 1993

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Second Floor, Room 219  
Santa Fe, New Mexico 87504

**HAND DELIVERED**

**RE: Preston Federal Well No. 5  
Application of Conoco Inc.  
for an Unorthodox Gas Well  
Location, Eddy County,  
New Mexico**

10677

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Preston Federal Well No. 5 to be drilled at an unorthodox gas well location.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

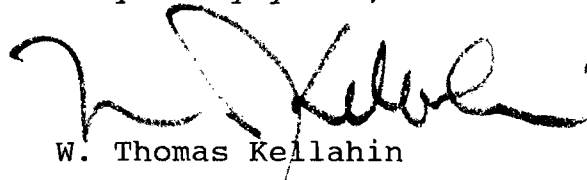
Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26, 1993. A copy of the Pre-Hearing Statement form is

Mr. William J. LeMay  
February 8, 1993  
Page Two

attached as Enclosure (2) to be sent to those parties  
entitled to notice as set forth in the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl  
Enclosures

cc: With Application and Enclosure (1)  
Jerry W. Hoover - Conoco, Inc.

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED:**

All parties shown on Exhibit "B" of the application  
with Enclosure (2)

**Enclosure (1)**

Proposed Notice for advertisement:

**Case \_\_\_\_\_: Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its proposed Preston Federal Well No. 5 at an unorthodox gas well location, in the Undesignated Cemetery Morrow Gas Pool, 840 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 20 South, Range 24 East, NMPM. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of said Section 34. Said well is located approximately 10 miles west-southwest of Seven Rivers, New Mexico.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO.: 10677

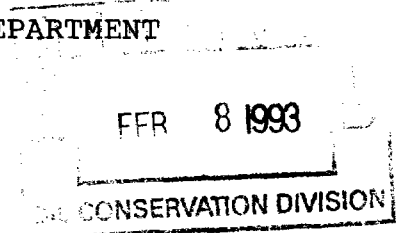
THE APPLICATION OF CONOCO INC.  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now CONOCO, INC, by its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval to drill its Preston Federal No. 5 Well at an unorthodox gas well location 840 feet from the South line and 1980 feet from the East line (Unit 0) in Section 34, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, with the E/2 of Section 34 being dedicated as the spacing unit for this well in the Undesignated Cemetery Morrow Gas Pool.

Conoco, Inc. ("Conoco") in support of the application states:

(1) Conoco is the proposed operator for and a working interest owner in the Preston Federal No. 5 Well to be drilled in the E/2 of Section 34, T20S, R24E, NMPM, Eddy County, New Mexico. See Exhibit "A" attached hereto.



(2) Conoco proposes to drill this well at an unorthodox gas location 840 feet FSL and 1980 feet FEL (Unit 0) in Section 34 being a standard well location for production from the Cisco formation of the South Dagger Draw-Upper Pennsylvanian Associated Pool but being an unorthodox well location for production from the Morrow formation in the Undesignated Cemetery Morrow Gas Pool.

(3) The Morrow formation at this location should be within one-mile of the Cemetery Morrow Gas Pool which will be extended because of Conoco's new Morrow gas well in the N/2 of Section 35, T20S, R24E, NMPM.

(4) While the Cemetery Morrow Gas Pool was created prior to November 1, 1975 and thus at one time was subject to 640-acre spacing rules, by Division Order R-3194 entered effective February 15, 1967, all future wells in this pool were and continue to be spaced on 320-acre spacing units.

(5) The Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool (Order R-5353, as amended) provide, among other things, for 320-acre proration and spacing units for either oil or gas production with wells located no closer than 660 feet to

the nearest side boundary of the tract, nor nearer than 660 feet to the nearest end boundary of the tract, nor closer than 330 feet to any quarter-quarter section of subdivision inner boundary.

(6) Based upon geological considerations and in order to maximize the opportunity to encounter the Cisco formation at its most favorable location in this spacing unit while providing an opportunity to also test the Morrow formation which cannot be tested at a standard location without compromising the Cisco location, Conoco proposes to locate the well in the Morrow formation at an unorthodox gas well location.

(7) The proposed location will afford Conoco and the interest owners in the proposed well the optimum location at which to test for both Morrow or Cisco production.

(8) In accordance with Division notice requirements, notice of this application and applicant's request for a hearing to be set on March 4, 1993 has been sent to those parties listed on Exhibit "B" attached hereto.

Application of Conoco, Inc.  
Page 4

WHEREFORE, Conoco Inc. requests that this application be set for hearing on the March 4, 1993 Examiner's Docket and that after notice and hearing as provided for by Division rules, the application be granted as requested.

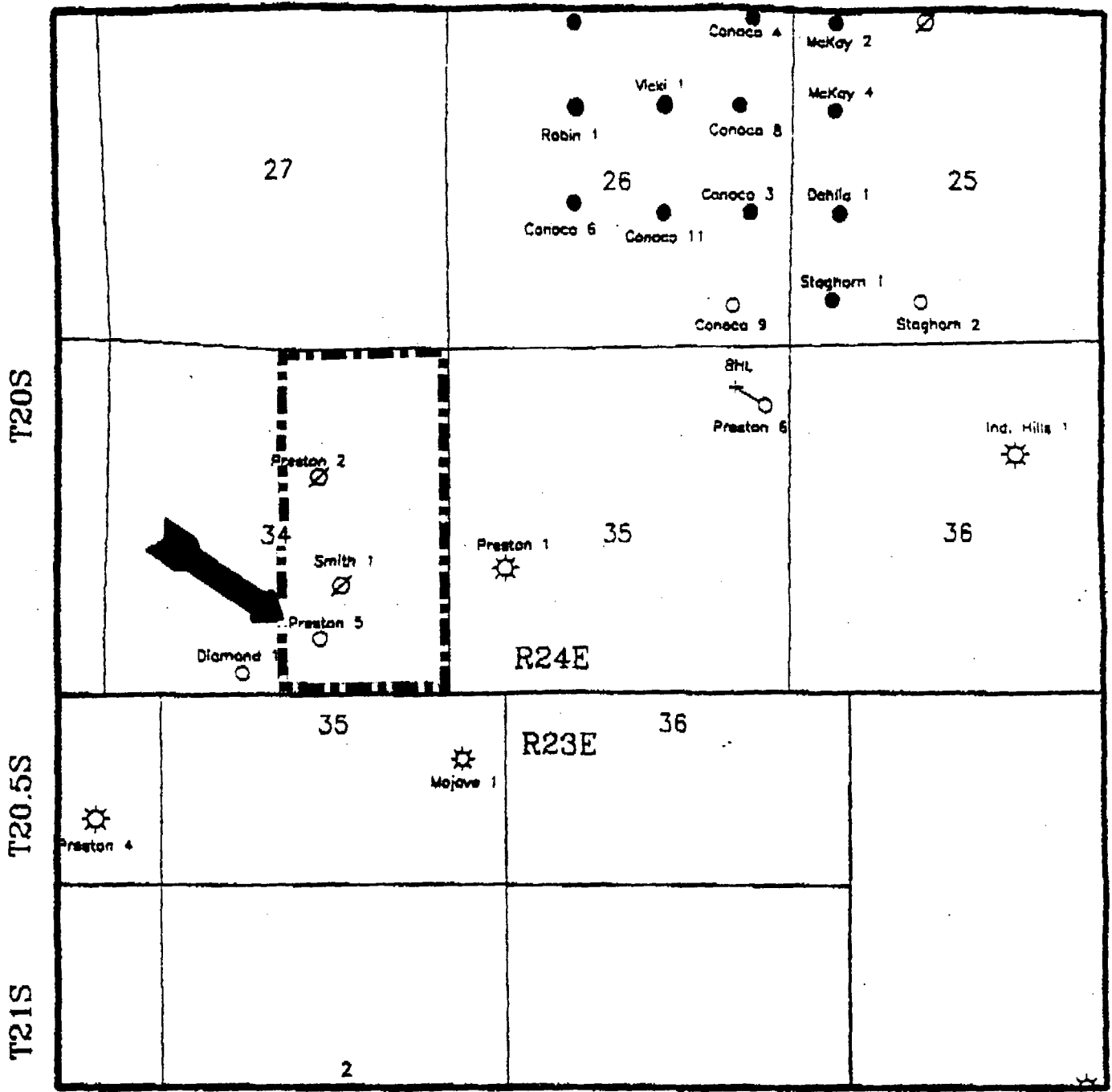
Respectfully submitted,

KELLAHIN AND KELLAHIN,

BY: 

W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR APPLICANT

R24E



CONOCO MIDLAND DIVISION

SOUTH DAGGER DRAW  
EDDY COUNTY, NEW MEXICO  
BASEMAP

SCALE 1" = 2000'

BY HARDIE

DATE 10-SEP-92



**ORTHODOX CISCO BOTTOM HOLE LOCATION**

**UNORTHODOX MORROW BOTTOM HOLE LOCATION**

**SURFACE LOCATION: 840' FSL & 1980' FEL**

**POOLS:** Cisco - South Dagger Draw  
Morrow - Undesignated (Either Cemetery or So. Dagger Draw)

**PRORATION UNIT:** 320 acres for both

**SPACING:** Cisco - 660' from all P.U. boundaries  
Morrow - 1980' from end line and 660' from side boundaries

**LIST OF OPERATORS AND/OR W.I. OWNERS OF TRACTS CONTIGUOUS WITH PRESTON #5 P.U.**

**Township 20 1/2 S, Range 24 E**

Sec. 35: S/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, Nm 88210  
  
Conoco Inc.

**Township 20 S, Range 24 E**

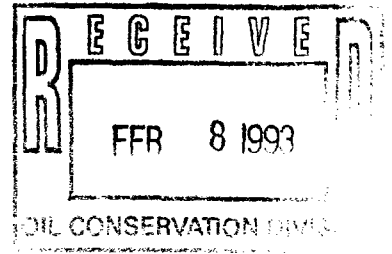
Sec. 35: S/2 Conoco Inc.

Sec. 35: NW4/NW4 Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 26: ALL Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Sec. 27: Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 34: W/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO.: 10677

THE APPLICATION OF CONOCO INC.  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

**A P P L I C A T I O N**

Comes now CONOCO, INC, by its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval to drill its Preston Federal No. 5 Well at an unorthodox gas well location 840 feet from the South line and 1980 feet from the East line (Unit O) in Section 34, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, with the E/2 of Section 34 being dedicated as the spacing unit for this well in the Undesignated Cemetery Morrow Gas Pool.

Conoco, Inc. ("Conoco") in support of the application states:

(1) Conoco is the proposed operator for and a working interest owner in the Preston Federal No. 5 Well to be drilled in the E/2 of Section 34, T20S, R24E, NMPM, Eddy County, New Mexico. See Exhibit "A" attached hereto.

(2) Conoco proposes to drill this well at an unorthodox gas location 840 feet FSL and 1980 feet FEL (Unit 0) in Section 34 being a standard well location for production from the Cisco formation of the South Dagger Draw-Upper Pennsylvanian Associated Pool but being an unorthodox well location for production from the Morrow formation in the Undesignated Cemetery Morrow Gas Pool.

(3) The Morrow formation at this location should be within one-mile of the Cemetery Morrow Gas Pool which will be extended because of Conoco's new Morrow gas well in the N/2 of Section 35, T20S, R24E, NMPM.

(4) While the Cemetery Morrow Gas Pool was created prior to November 1, 1975 and thus at one time was subject to 640-acre spacing rules, by Division Order R-3194 entered effective February 15, 1967, all future wells in this pool were and continue to be spaced on 320-acre spacing units.

(5) The Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool (Order R-5353, as amended) provide, among other things, for 320-acre proration and spacing units for either oil or gas production with wells located no closer than 660 feet to

the nearest side boundary of the tract, nor nearer than 660 feet to the nearest end boundary of the tract, nor closer than 330 feet to any quarter-quarter section of subdivision inner boundary.

(6) Based upon geological considerations and in order to maximize the opportunity to encounter the Cisco formation at its most favorable location in this spacing unit while providing an opportunity to also test the Morrow formation which cannot be tested at a standard location without compromising the Cisco location, Conoco proposes to locate the well in the Morrow formation at an unorthodox gas well location.

(7) The proposed location will afford Conoco and the interest owners in the proposed well the optimum location at which to test for both Morrow or Cisco production.

(8) In accordance with Division notice requirements, notice of this application and applicant's request for a hearing to be set on March 4, 1993 has been sent to those parties listed on Exhibit "B" attached hereto.

WHEREFORE, Conoco Inc. requests that this application be set for hearing on the March 4, 1993 Examiner's Docket and that after notice and hearing as provided for by Division rules, the application be granted as requested.

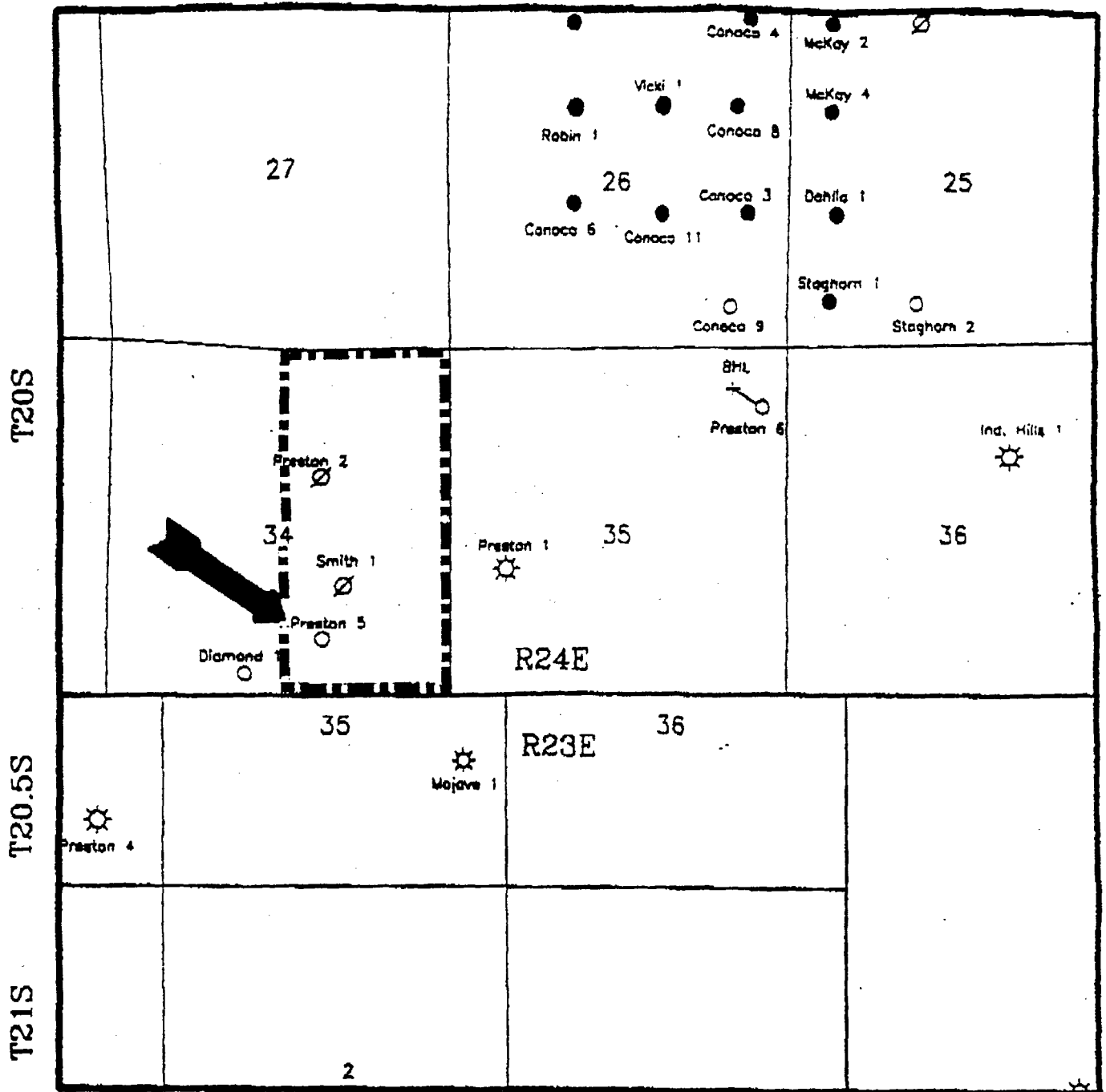
Respectfully submitted,

KELLAHIN AND KELLAHIN,

BY: 

W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR APPLICANT

R24E



CONOCO MIDLAND DIVISION

SOUTH DAGGER DRAW  
EDDY COUNTY, NEW MEXICO  
BASEMAP

Scale 1" = 2000'

HARDIE

10-SEP-92

**ORTHODOX CISCO BOTTOM HOLE LOCATION**

**UNORTHODOX MORROW BOTTOM HOLE LOCATION**

**SURFACE LOCATION: 840' FSL & 1980' FEL**

**POOLS:** Cisco - South Dagger Draw  
Morrow - Undesignated (Either Cemetery or So. Dagger Draw)

**PRORATION UNIT:** 320 acres for both

**SPACING:** Cisco - 660' from all P.U. boundaries  
Morrow - 1980' from end line and 660' from side boundaries

**LIST OF OPERATORS AND/OR W.I. OWNERS OF TRACTS CONTIGUOUS WITH PRESTON #5 P.U.**

**Township 20 1/2 S. Range 24 E**

Sec. 35: S/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, Nm 88210

Conoco Inc.

**Township 20 S. Range 24 E**

Sec. 35: S/2 Conoco Inc.

Sec. 35: NW4/NW4 Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 26: ALL Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Sec. 27: Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 34: W/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87501-2265

W. THOMAS KELLAHIN\*

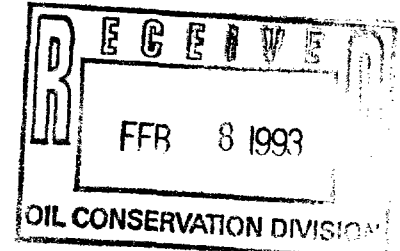
\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN RETIRED 1991

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 5, 1993

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Second Floor, Room 219  
Santa Fe, New Mexico 87504



HAND DELIVERED

**RE: Preston Federal Well No. 5  
Application of Conoco Inc.  
for an Unorthodox Gas Well  
Location, Eddy County,  
New Mexico**

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Preston Federal Well No. 5 to be drilled at an unorthodox gas well location.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).


In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26, 1993. A copy of the Pre-Hearing Statement form is



Mr. William J. LeMay  
February 8, 1993  
Page Two

attached as Enclosure (2) to be sent to those parties  
entitled to notice as set forth in the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl  
Enclosures

cc: With Application and Enclosure (1)  
Jerry W. Hoover - Conoco, Inc.

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED:**

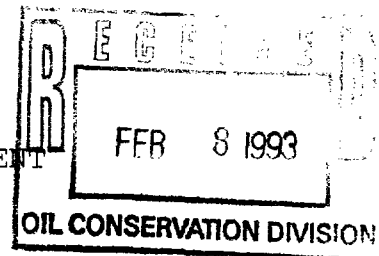
All parties shown on Exhibit "B" of the application  
with Enclosure (2)

**Enclosure (1)**

Proposed Notice for advertisement:

**Case \_\_\_\_\_: Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its proposed Preston Federal Well No. 5 at an unorthodox gas well location, in the Undesignated Cemetery Morrow Gas Pool, 840 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 20 South, Range 24 East, NMPM. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of said Section 34. Said well is located approximately 10 miles west-southwest of Seven Rivers, New Mexico.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING  
CALLED BY THE DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO.: 10677

THE APPLICATION OF CONOCO INC.  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

**A P P L I C A T I O N**

Comes now CONOCO, INC, by its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval to drill its Preston Federal No. 5 Well at an unorthodox gas well location 840 feet from the South line and 1980 feet from the East line (Unit O) in Section 34, Township 20 South, Range 24 East, NMPM, Eddy County, New Mexico, with the E/2 of Section 34 being dedicated as the spacing unit for this well in the Undesignated Cemetery Morrow Gas Pool.

Conoco, Inc. ("Conoco") in support of the application states:

(1) Conoco is the proposed operator for and a working interest owner in the Preston Federal No. 5 Well to be drilled in the E/2 of Section 34, T20S, R24E, NMPM, Eddy County, New Mexico. See Exhibit "A" attached hereto.

(2) Conoco proposes to drill this well at an unorthodox gas location 840 feet FSL and 1980 feet FEL (Unit O) in Section 34 being a standard well location for production from the Cisco formation of the South Dagger Draw-Upper Pennsylvanian Associated Pool but being an unorthodox well location for production from the Morrow formation in the Undesignated Cemetery Morrow Gas Pool.

(3) The Morrow formation at this location should be within one-mile of the Cemetery Morrow Gas Pool which will be extended because of Conoco's new Morrow gas well in the N/2 of Section 35, T20S, R24E, NMPM.

(4) While the Cemetery Morrow Gas Pool was created prior to November 1, 1975 and thus at one time was subject to 640-acre spacing rules, by Division Order R-3194 entered effective February 15, 1967, all future wells in this pool were and continue to be spaced on 320-acre spacing units.

(5) The Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool (Order R-5353, as amended) provide, among other things, for 320-acre proration and spacing units for either oil or gas production with wells located no closer than 660 feet to

the nearest side boundary of the tract, nor nearer than 660 feet to the nearest end boundary of the tract, nor closer than 330 feet to any quarter-quarter section of subdivision inner boundary.

(6) Based upon geological considerations and in order to maximize the opportunity to encounter the Cisco formation at its most favorable location in this spacing unit while providing an opportunity to also test the Morrow formation which cannot be tested at a standard location without compromising the Cisco location, Conoco proposes to locate the well in the Morrow formation at an unorthodox gas well location.

(7) The proposed location will afford Conoco and the interest owners in the proposed well the optimum location at which to test for both Morrow or Cisco production.

(8) In accordance with Division notice requirements, notice of this application and applicant's request for a hearing to be set on March 4, 1993 has been sent to those parties listed on Exhibit "B" attached hereto.


Application of Conoco, Inc.  
Page 4

WHEREFORE, Conoco Inc. requests that this application be set for hearing on the March 4, 1993 Examiner's Docket and that after notice and hearing as provided for by Division rules, the application be granted as requested.

Respectfully submitted,

KELLAHIN AND KELLAHIN,

BY:



W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR APPLICANT

ORTHODOX CISCO BOTTOM HOLE LOCATION

UNORTHODOX MORROW BOTTOM HOLE LOCATION

SURFACE LOCATION: 840' FSL & 1980' FEL

POOLS: Cisco - South Dagger Draw  
Morrow - Undesignated (Either Cemetery or So. Dagger Draw)

PRORATION UNIT: 320 acres for both

SPACING: Cisco - 660' from all P.U. boundaries  
Morrow - 1980' from end line and 660' from side boundaries

LIST OF OPERATORS AND/OR W.I. OWNERS OF TRACTS CONTIGUOUS WITH PRESTON #5 P.U.

Township 20 1/2 S, Range 24 E

Sec. 35: S/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, Nm 88210  
  
Conoco Inc.

Township 20 S, Range 24 E

Sec. 35: S/2 Conoco Inc.

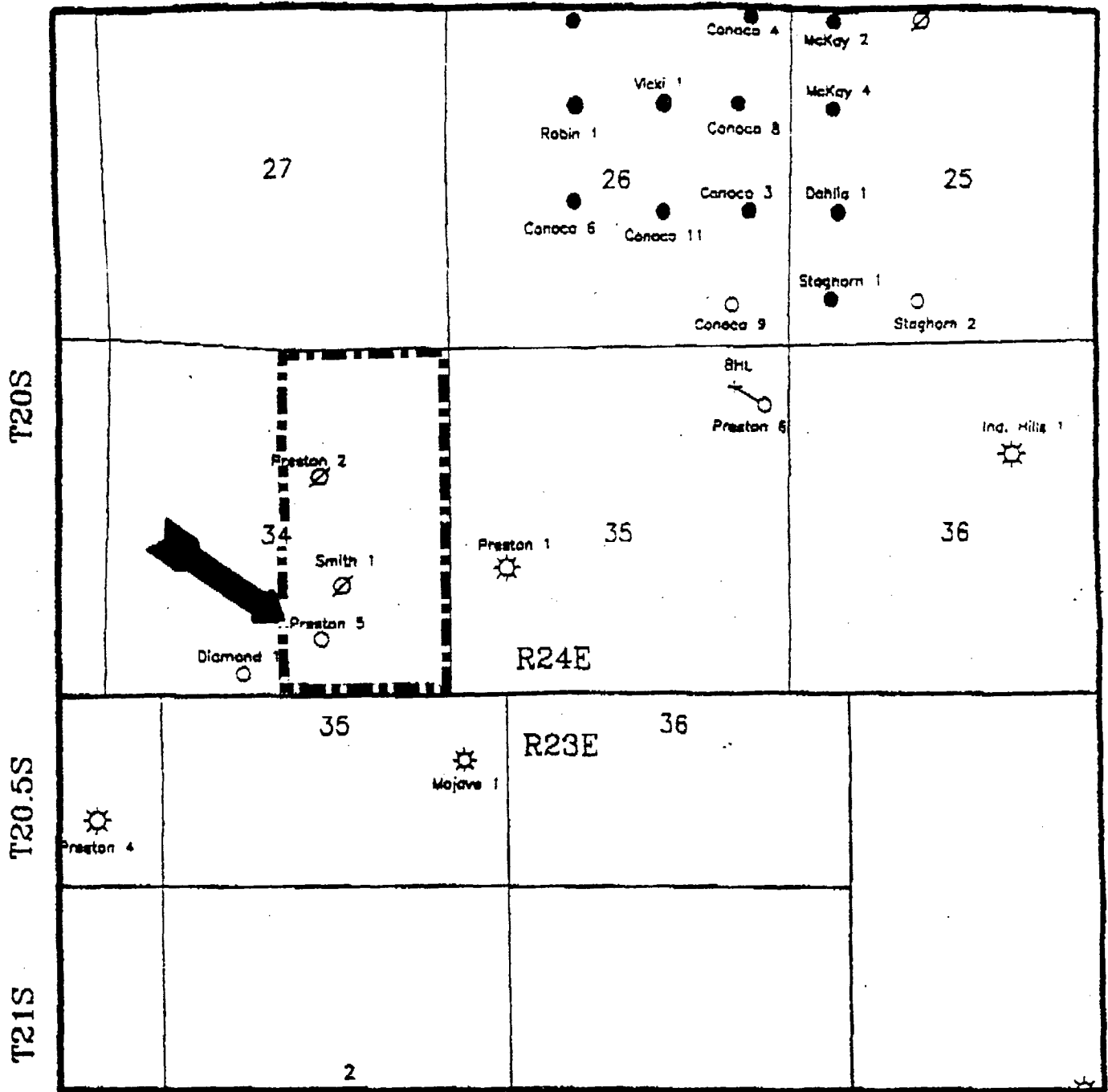
Sec. 35: NW4/NW4 Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 26: ALL Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Sec. 27: Yates Petroleum Corporation )  
Yates Drilling Company ) All 4 at the  
Abo Petroleum Corporation ) same address  
Myco Industries Inc. )  
105 South Fourth Street  
Artesia, NM 88210

Sec. 34: W/2 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

R24E



CONOCO MIDLAND DIVISION

SOUTH DAGGER DRAW  
EDDY COUNTY, NEW MEXICO  
BASEMAP

Scale 1" = 2000'

WELL HARDIE

DATE 10-SEP-92



KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W THOMAS KELLAHIN\*

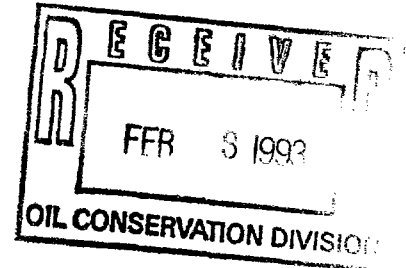
\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES, OIL AND GAS LAW

JASON KELLAHIN RETIRED 99

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

February 5, 1993

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Second Floor, Room 219  
Santa Fe, New Mexico 87504



HAND DELIVERED

**RE: Preston Federal Well No. 5  
Application of Conoco Inc.  
for an Unorthodox Gas Well  
Location, Eddy County,  
New Mexico**

Dear Mr. LeMay:

On behalf of Conoco Inc., please find enclosed our application for its Preston Federal Well No. 5 to be drilled at an unorthodox gas well location.

We request that the Application be set for hearing on the next available Examiner's docket now scheduled for March 4, 1993.

By copy of this letter, including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

Our proposed advertisement to be used for the OCD docket and for the newspaper publication is attached as Enclosure (1).

In accordance with Division Memorandum 2-90, parties who may appear in this case are hereby requested to file a Pre-Hearing Statement with the Division, copy to Applicant, not later than 4:00 PM on Friday, February 26, 1993. A copy of the Pre-Hearing Statement form is

Mr. William J. LeMay  
February 8, 1993  
Page Two

attached as Enclosure (2) to be sent to those parties  
entitled to notice as set forth in the application.

Very truly yours,



W. Thomas Keillahin

WTK/jcl  
Enclosures

cc: With Application and Enclosure (1)  
Jerry W. Hoover - Conoco, Inc.

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED:**

All parties shown on Exhibit "B" of the application  
with Enclosure (2)

**Enclosure (1)**

Proposed Notice for advertisement:

**Case \_\_\_\_\_: Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its proposed Preston Federal Well No. 5 at an unorthodox gas well location, in the Undesignated Cemetery Morrow Gas Pool, 840 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 20 South, Range 24 East, NMPM. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of said Section 34. Said well is located approximately 10 miles west-southwest of Seven Rivers, New Mexico.