

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

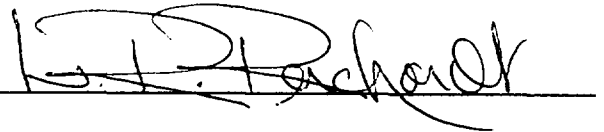
IN THE MATTER OF THE APPLICATION :  
OF M. BRAD BENNETT, INC. FOR AN :  
UNORTHODOX GAS WELL LOCATION, : CASE NO. 9519  
LEA COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

WAIVER OF OBJECTION

COMES NOW the undersigned, acknowledges receipt of a copy of the First Amended Application of M. Brad Bennett, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico, and waives objection to such unorthodox location.

COASTAL OIL & GAS CORPORATION

By: \_\_\_\_\_



M. BRAD BENNETT, INC.  
Case No. 9519  
11/09/88 Examiner Hearing  
Exhibit No. 7

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MONCRIEF OIL

By: *Danney E. Sherata*

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W. A. MONCRIEF, JR.

By: *Dewey E. Stanton*

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C. B. MONCRIEF

By: *Dwney E. Thornton*

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

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

CASE NO. 9519  
Order No. R-8792

APPLICATION OF M. BRAD BENNETT,  
INC. FOR AN UNORTHODOX GAS WELL  
LOCATION, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 9, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 14th day of December, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, M. Brad Bennett, Inc., seeks approval of an unorthodox gas well location 660 feet from the South and East lines (Unit X) of Section 6, Township 16 South, Range 34 East, NMPM, for a well to be drilled to test the Pennsylvanian formation, Hume-Atoka Gas Pool and Hume-Morrow Gas Pool, Lea County, New Mexico.

(3) The applicant further proposes to dedicate a 303.79-acre non-standard gas proration unit consisting of the S/2 of said Section 6 to the above described well.

(4) The applicant presented evidence which indicates that the State "E" Com Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit V) of said Section 6 was previously completed in and produced from the Hume-Morrow Gas Pool from approximately 1977-1978, and the Hume-Atoka Gas Pool from approximately 1978-1986.

(5) Further testimony indicates that said well will be recompleted to the Wolfcamp formation.

(6) The applicant seeks to drill its proposed well in order to recover remaining gas reserves underlying the S/2 of said Section 6 which may not have been recovered by the State "E" Com Well No. 1.

(7) The applicant presented geologic evidence and testimony which indicates that a well drilled at the proposed location will penetrate the Atoka and Morrow formations at a more structurally advantageous position than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(8) No affected offset operator appeared and objected to the proposed non-standard well location.

(9) 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.

(10) The record in this case indicates that the proposed non-standard gas proration unit, described in Finding No. (3) above, was previously approved by Division Order No. NSP-1039, dated January 26, 1977 for the preceding operator, Mark Production Company.

(11) Said Order No. NSP-1039 should remain in full force and effect, however, the applicant should be required to submit application for an amendment to said order reflecting the operator change and the well change.

IT IS THEREFORE ORDERED THAT:

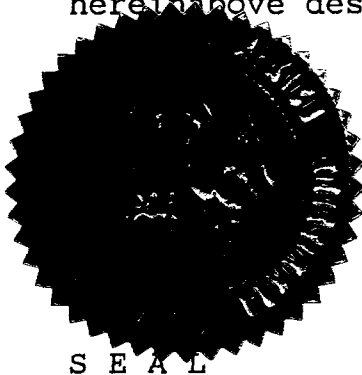
(1) The applicant, M. Brad Bennett, Inc., is hereby authorized to drill a well at an unorthodox gas well location 660 feet from the South and East lines (Unit X) of Section 6, Township 16 South, Range 34 East, NMPM, to test the Pennsylvanian formation, Hume-Atoka Gas Pool and Hume-Morrow Gas Pool, Lea County, New Mexico.

(2) A 303.79-acre non-standard gas proration unit previously approved by Division Order No. NSP-1039 and consisting of the S/2 of said Section 6 shall be dedicated to the above-described well.

PROVIDED HOWEVER, the applicant should be required to file an application with the Division for an amendment to said Order No. NSP-1039 reflecting the change of operator and well change.

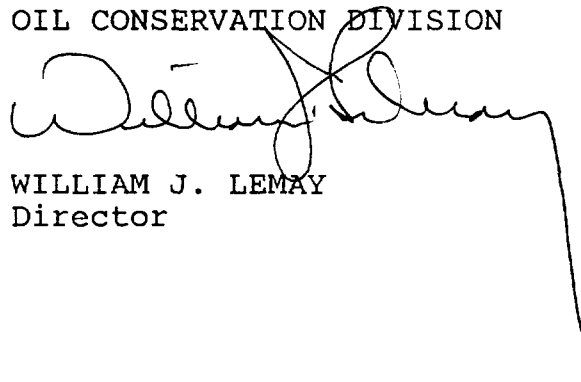
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director