

**CASE 12426: (De Novo) Continued from October 27, 2000,
Commission Hearing**

Application of Southwest Royalties, Inc. for a non-standard gas spacing and proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks exceptions to Rules 3 and 6 of the "Special Rules and Regulations for the Scarborough-Yates-Seven Rivers Pool", as promulgated by Division Order No. R-2999, in order to: (i) establish a non-standard 280-acre gas spacing and proration unit comprising the S/2 NE/4, NE/4 SE/4, and S/2 SE/4 of Section 30, Township 26 South, Range 37 East (which is located approximately seven miles south of Jal, New Mexico) within the Scarborough-Yates-Seven Rivers Pool; and (ii) to dedicate thereon its existing Eaves "B" Well No. 20 (API No. 30-025-32274) located at an unorthodox gas well location 1414 feet from the South line and 429 feet from the East line (Unit I) of Section 30. Upon application of Southwest Royalties, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.