## STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

November 4, 1996

H. L. Brown, Jr. c/o Kellahin and Kellahin P. O. Box 2265 Santa Fe, New Mexico 87504-2265 Attention: W. Thomas Kellahin

## Administrative Order NSL-3732

Dear Mr. Kellahin:

Reference is made to your application dated September 30, 1996 on behalf of H. L. Brown, Jr. for an unorthodox gas well location for any and all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation developed on 320-acre spacing underlying the S/2 of Section 9, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico.

## **The Division Director Finds That:**

- H. L. Brown, Jr., as operator, proposes to drill its North Feather State Unit Well No.
  2 at a point that is 1340 feet from the South line and 990 feet from the East line (Unit I) of said Section 9 to a depth sufficient to test the Morrow formation;
- (2) Pursuant to the applicant's request, the two primary zones of interest for this well are the Morrow and Wolfcamp intervals, however it is the operators intent to test all intervals from the top of the Wolfcamp formation to the base of the Morrow formation for gas production;
- (3) Rules governing these intervals within said vertical extent for the proposed well location are as follows:

(a) <u>Morrow</u>: the North Feather-Morrow Gas Pool comprising the N/2 of Section 16, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico, is currently subject to Division statewide Rule 104.C(2), which requires 320-acre spacing and proration units with wells to be located no closer then 660 feet to the nearest side (long) boundary of the dedicated tract nor closer than 1980 feet from the nearest end (short) boundary nor closer than 330