

DATE IN	SUSPENSE	ENGINEER	LOGGED BY	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☒ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox  
Print or Type Name

Signature

Regulatory Agent  
Title

3/20/01  
Date



Mid-Continent Region  
Exploration/Production

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

March 20, 2001

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, New Mexico 87504

Application for Nonstandard Location Order  
Pool : Baish Wolfcamp (4480)

Conoco - Elvis # 4  
API # 30-025-33949  
Section 20, T-20-S, R-32-E, F  
1660 FNL & 1866 FWL  
Lea County, NM

Conoco - Elvis # 2  
API # 30-025-33854  
Section 17, T-17-S, R-32-E, O  
770 FSL & 2306 FEL  
Lea County, NM

Dear Mr. Stogner,

Conoco respectfully requests your approval of this administrative application for a nonstandard location order for the above listed existing wellbores.

The Baish Wolfcamp pool rules state that the first well drilled on the 80 acre proration unit must be in the NE/4 or SW/4 of a governmental quarter section. The Elvis #4 is located in the SE/4 of the NW/4 of Section 20, and the Elvis # 2 is in the SW/4 of the SE/4 thereby both wells are nonstandard. The pool rules also state that all wells shall be located within 150' from the center of each quarter-quarter section. Both wells are located outside of that boundary. When the recompleteness was filed for the Elvis # 2 Conoco inadvertently overlooked the specific Baish Wolfcamp pool rules. Please see attached.

The Wolfcamp play in this area is based on the successful recompleteness of the Elvis #2, January 21, 2000. The justification for attempting to recomplete the Elvis #4 nonstandard wellbore is as follows. The Elvis #4 is located within the MCA Unit's boundary in the SE/4 of the NW/4 of Section 20, T17S, R 32E, Lea County, New Mexico. Elvis No. 4 is currently loaded up and is only producing 3-5 MCFPD from the Cisco. The well was originally drilled to test the Strawn as a twin to the Elvis No. 1 based on shows and log analysis that indicated the Strawn would be commercial. The Strawn was cored and was found to be very tight with minimal porosity. It was tested as noncommercial and the Elvis No. 4 was completed up hole in the Cisco. The well has produced 22MBO, 43 MMCF and 4500 BW from the Cisco since August 1997. The upper Cisco was DST'd during drilling and the analysis indicated it was a limited reservoir. No recent BHP information exists, but well performance indicates this assumption is correct. The Wolfcamp is the next most prospective horizon moving up hole and three zones look more prospective than any others located below the cement top at 7950'. The Wolfcamp was completed in two zones in the Elvis # 2 in January 2000 and production averaged in excess of 30 BOPD and 30 MCFPD during 2000. This Wolfcamp completion should recover 68 MBO and 68 MMCFG gross over its life. These zones in Elvis No. 4 look similar on shows and logs, but are not the same intervals that are productive in the Elvis No. 2. Comparable reserves are anticipated and economics show the project has a 103 % ROR, a 2.36 PI, a \$269 M NPV and a 16.3 month discounted payout based on an average oil price and gas price respectively, of \$21.30 / BO and \$3.44 / MCF over the projects 12 year life. The economics assume gross Wolfcamp reserves of 63 MBO and 63 MMCF and no production or reserve recovery from returning the Cisco to production, since it appears to be depleted.

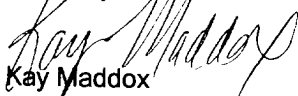
There are several other prospective zones behind casing lower in the Wolfcamp in the Elvis No. 4. There is a zone in the lower Wolfcamp that is at a depth comparable to the producing intervals in the Elvis No. 2 Wolfcamp completion. In the Elvis No. 4 this zone has a mud log show, but the logs indicate the zone is tight. The three zones recommended for completion in the Elvis No. 4 are at 8986-9006', 9465-85' and 9572-92'. All three zones had mud log shows. The lower zone's best porosity averages 9.5% over 5' and has an additional 6' above 10%. The 10% porosity interval is opposite a washout, so the log values are probably optimistic. The middle zone has 5' of 6.5% porosity, which again may be somewhat optimistic as it is opposite an enlarged section of borehole. There are two more zones with mud log shows at the top of the Wolfcamp, and the uppermost one looks most prospective. It has 5' above 6% porosity and another 5' of 4-6% porosity. A review of Conoco's other Wolfcamp producers indicate these zones have not been completed in most of the wells. The only real potential for this well is in the Wolfcamp and the zones selected are the best based on shows and log analysis.

When looking at the attached map it is evident that the Elvis # 4 well was drilled as a twin well to the Elvis # 1. The # 4 well was drilled to complete in the Strawn, which looked very prospective in the Elvis # 1. At the time the Elvis # 4 well was drilled, the Elvis # 1 was a very good Devonian producer. Conoco felt that the Devonian would continue to produce for an extended period of time thus delaying the development of the Strawn in this area. The Strawn was non-commercial in the Elvis # 4, which is why Conoco is currently seeking to recomplete into the Wolfcamp.

Please note that Conoco owns 100% of the deep rights in Section 17, 19, and Section 20, there is no offset operator notification required. The Elvis # 4 is within Conoco's MCA Unit however the Unit encompasses the Grayburg and San Andres only.

Conoco respectfully requests that an unorthodox location be granted for the Elvis # 4 and the Elvis # 2 in order to prevent waste by utilizing nonproductive existing wellbores. If any additional information is required please call me at (915) 686-5798.

Sincerely,



Kay Maddox  
Regulatory Agent - Conoco

Cc: New Mexico Oil Conservation Division - Hobbs  
W. Thomas Kellahin - Legal Counsel



District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33949		2 Pool Code 4480		3 Pool Name Baish Wolfcamp	
4 Property Code		5 Property Name Elvis			6 Well Number #4
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 3984

#### 10 Surface Location

UL or lot no. F	Section 20	Township 17S	Range 32E	Lot Idn	Feet from the 1660	North/South line North	Feet from the 1866	East/West line West	County Lea
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#### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 80	13 Joint or Infill	14 Consolidation Code		15 Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			

#### 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature  
Kay Maddox

Printed Name  
Regulatory Agent

Title  
March 1, 2001

Date

#### 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor:

Certificate Number

Form 3160-4

(November 1983)

(Form 9-330)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE\*

Form approved.

Budget Bureau No. 1004-0137

Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

5. LEASE DESIGNATION AND SERIAL NO.

LC-029495A- LC-029405(2)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Elvis  
Well #4

9. API Number

30 025 33949

10. FIELD AND POOL, OR WILDCAT

Maljamar Cisco

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 20, T17S, R32E

12. COUNTY OR PARISH

Lea

13. STATE

NM

19. ELEV. CASINGHEAD

15. Date Spudded

5-22-97

16. Date T.D. Reached

7-18-97

17. DATE COMPL (Ready to prod.)

8-7-97

18. ELEVATIONS (OF, RKB, RT, GR, ETC.)

3984' GR

20. TOTAL DEPTH, MD & TVD

12,100'

21. PLUG, BACK T.D., MD & TVD

11,395'

22. IF MULTIPLE COMPL., HOW MANY\*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD & TVD)\*

Cisco @ 10,392'-10,458' (initial)

Perforations added October 1997 - 10,710-10,890'

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/CCL

27. WAS WELL CORED

no

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	Amount Pulled
11 3/4"	42#	670'	14 3/4"	370 sx	NONE
8 5/8"	32#	4600'	12 1/4"	1910 sx	NONE
5 1/2"	17#	12,100'	7 7/8"	1280 sx	NONE

29. LINER RECORD

Size	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	10,336'	10,336'

30. TUBING RECORD

Size	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	10,336'	10,336'

31. PERFORATION RECORD (Interval, size and number)

Cisco @ 10,392'-10,890'

32. ACID, SHOT, FRAC., CEMENT SQUEEZE, Etc.

DEPTH INTERVAL (MD)	AMT. AND KIND OF MATERIAL USED
10,392-10,458'	40 bbls 2% KCL, 11 bbls 15% NEPE HCL
10,710-10,890'	15,000 gals 15% NEPE HCL

33. PRODUCTION

TEST WITNESSED BY	
RECORD	
<i>[Signature]</i>	

34. DISPOSITION OF GAS

Sales

35. LIST OF ATTACHMENTS

filed to correct field name listed on initial filing of 9-8-97

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

915 684-6381

SIGNED

TITLE Ann E. Ritchie, Regulatory Admin

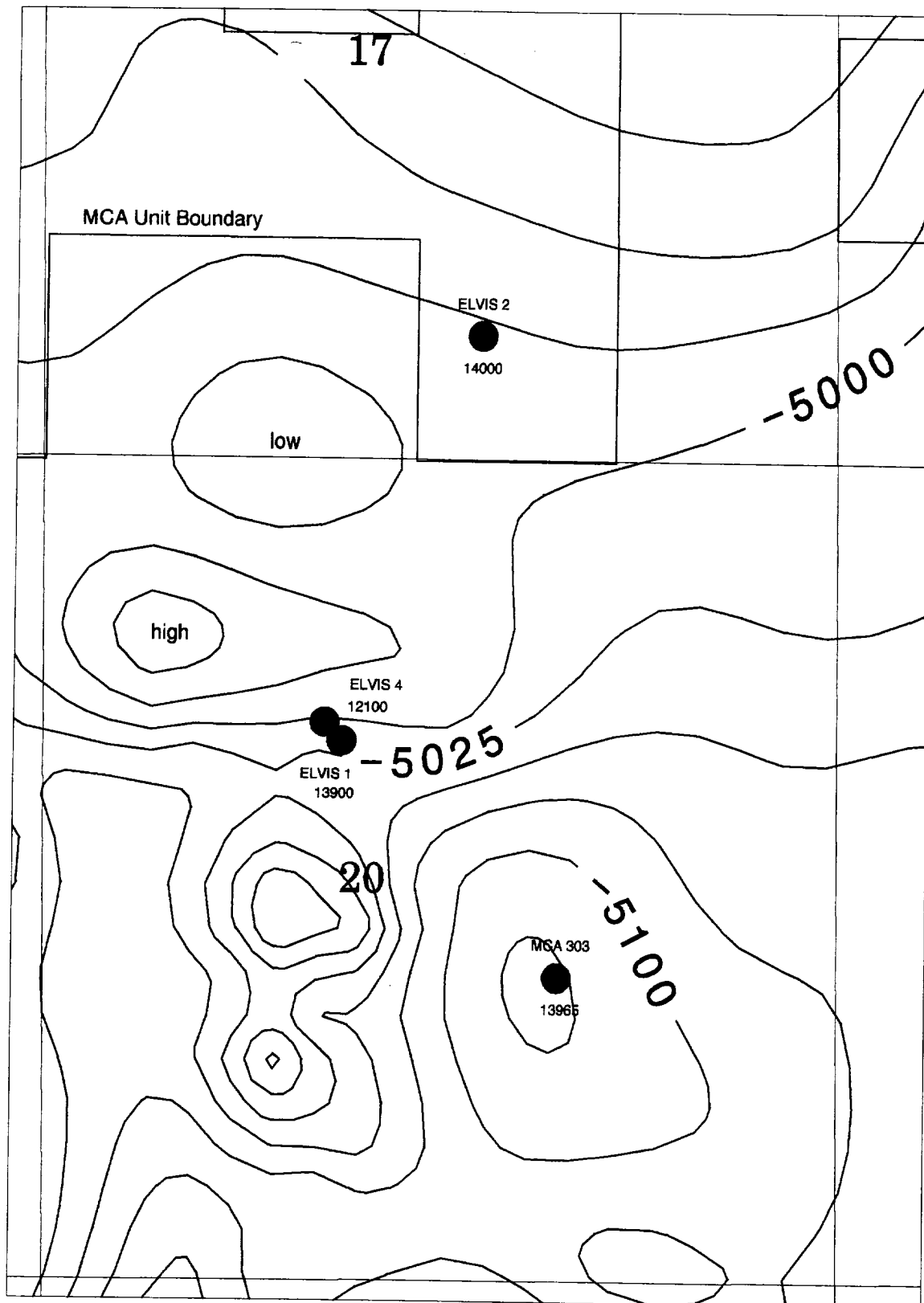
DATE

7-17-98

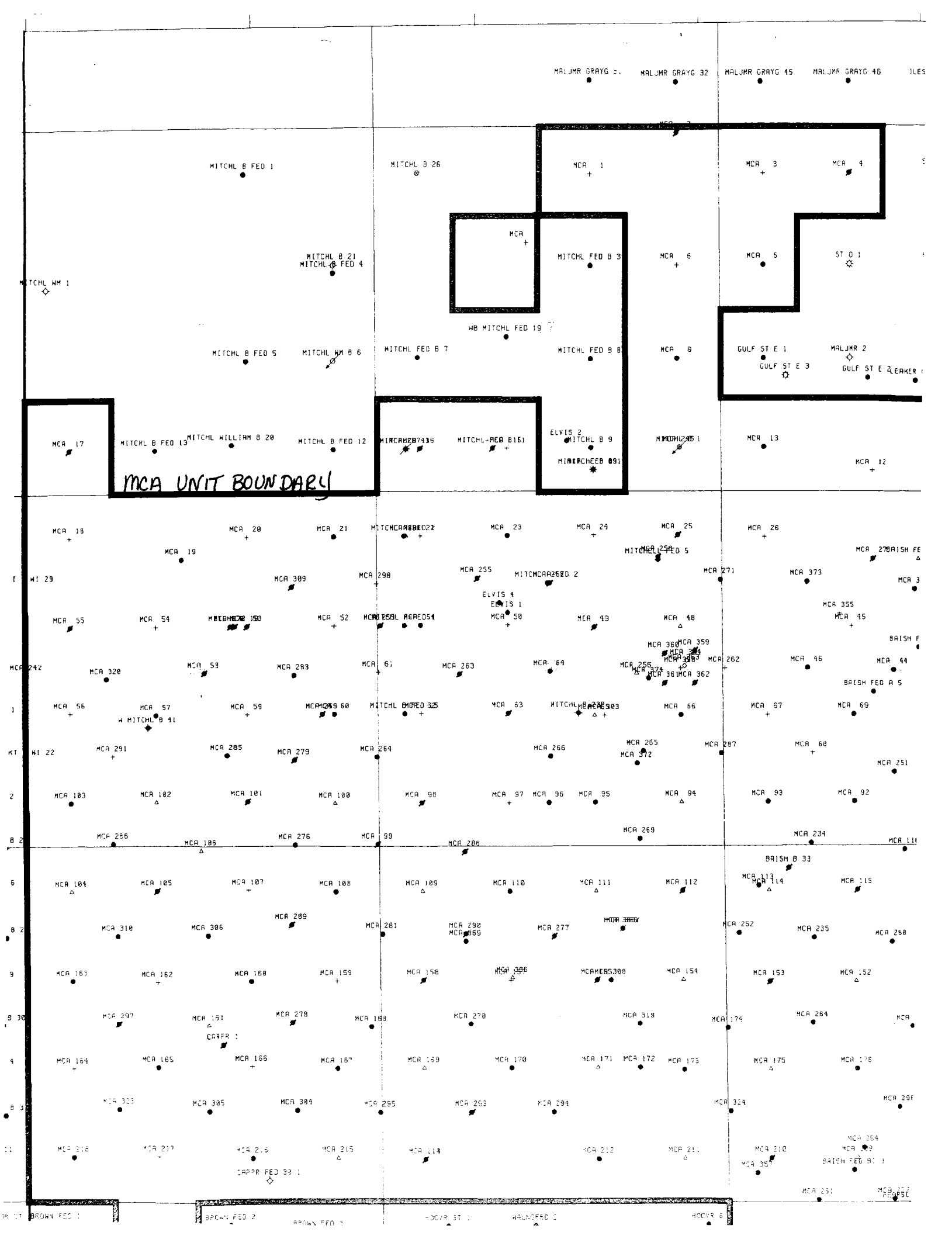
(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTR: BLM(6) NMOC(1)



<b>CONOCO</b>	
MCA	
Lea County, N.M.	
Scale	Unit
1:12000	FEET
Map	Date
MKB	Jan 11, 2001
Wells > 9000	
Sec 20, T17S, R32E	
STRUCTURE CONTOURS ON TOP OF WOLFCAMP	





(November 1983)  
(formerly 9-330)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOPERATOR'S COPY  
SUBMIT IN DUPLICATEForm approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

5. LEASE DESIGNATION AND SERIAL NO.  
LC 029405B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Elvis, Well #29. API NO.  
30 025 33854 9210. FIELD AND POOL, OR WILDCAT  
Undesignated Baish Wolfcamp11. SEC., T., R., M. OR BLOCK AND SURVEY  
OR AREA

Sec 17, T17S, R32E

12. COUNTY OR  
PARISH

Lea

13. STATE

NM

1a. TYPE OF WELL:

OIL  
WELL ☒GAS  
WELL ☐DRY ☐ OTHER

1b. TYPE OF COMPLETION:

NE  
WELL ☐WORK  
OVER ☐DEEP-  
en ☐PLUG  
BACK ☒DIFF.  
RESVR. ☐

OTHER

2. NAME OF OPERATOR

CONOCO INC.

3. ADDRESS OF OPERATOR

10 DESTA DR. STE 100W, MIDLAND, TX. 79705-4500 (915) 686-5580/684-6381

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface

770' FSL &amp; 2366' FEL

At top prod. interval reported below

2306' "

At total depth

"

14. PERMIT NO.

DATE ISSUED

15. Date Spudded

3-8-97

16. Date T.D. Reached

5-13-97

17. DATE COMP (Ready to prod)

RC:1-5-2000

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)

4000' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD  
14,000'21. PLUG, BACK T.D., MD & TVD  
13,715'22. IF MULTIPLE COMPL.,  
HOW MANY\*23. INTERVALS  
DRILLED BY

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD & TVD)\*  
Wolfcamp @ 9674-9989' & 9690'-9714'  
997425. WAS DIRECTIONAL  
SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR/CBL/VDL/CCL/Radial Bond

27. WAS WELL CORED

no

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB. IFT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	Amount Pulled
13 3/8"	48#	675'	17 1/2"	565 sx	none
9 5/8"	40#	4588'	12 1/4"	2085 sx	none
7"	29#	14,000'	8 1/4"	3617 sx	none

29. LINER RECORD

Size	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	30. TUBING RECORD
					SIZE DEPTH SET (MD) PACKER SET (MD)
					2 7/8" 10,028'

31. PERFORATION RECORD (Interval, size and number)

9674-9989' w/ 4 shots/ft., 9690-9714' w/4 shots/ft.

32. ACID, SHOT, FRAC., CEMENT SQUEEZE, Etc.

DEPTH INTERVAL (MD)	AMT. AND KIND OF MATERIAL USED
9674-9989'	1000 gals HCL, 85 bbls acid, 7500 gals acid, & 60 bbls 2% KCL flush, 292 bbls 2% HCL, 30 & 60 bbls acid, w/60 bbls flush w/ball sealers
	10,000 gals cross link acid

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHO (Flowing, gas lift pumping - size and type of pump)					WELL STATUS (Producing or shut-in)	
11-30-99		pumping					PROD	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS-OIL RATIO		
1-12-2000	24		TEST PERIOD 85	75	175	882		
FLOW TUBING PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL API	GAS - MCF.	WATER - BBL.	OIL GRAVITY-API (CORR.)		
	57							

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc)

sales

35. LIST OF ATTACHMENTS

C-104

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Regulatory Agent

DATE 1-21-2000

\*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CC: SHEAR, PONCA, COST ASST, FIELD, WELL FILE, WTOR

Form C-102

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088

Santa Fe, NM 87504-2088

Revised February 21, 1994  
instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33854		2 Pool Code 4480	3 Pool Name Baish Wolfcamp
4 Property Code 19491	5 Property Name Elvis		6 Well Number 2
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500		9 Elevation 4000'

## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	17	17S	32E		770	South	2306	East	Lea

11 Bottom Hole Location If Different From Surface	
Range	Latitude

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code		15 Order No.					
80									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY

2306'

770'

0

## 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Reesa Wilkes

**Signature**

Reesa R. Wilkes

Printed Name \_\_\_\_\_

**Sr. Staff Regulatory Assistant**

**Title**

11/29/99

Date:

## 18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

**Signature and Seal of Professional Surveyor:**

**Certificate Number**

**BAISH-WOLFCAMP POOL**  
Lea County, New Mexico

Order No. R-2765, Adopting Operating Rules for the Baish-Wolfcamp Pool, Lea County, New Mexico, September 8, 1964.

Application of Continental Oil Company for  
Special Pool Rules, Lea County, New Mexico.

CASE No. 3097  
Order No. R-2765

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on August 26, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 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 the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Baish-Wolfcamp Pool in Sections 21 and 22, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, including a provision for 80-acre proration units.

(3) That one well in the Baish-Wolfcamp Pool can efficiently and economically drain and develop 80 acres.

(4) That in order 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, special rules and regulations providing for 80-acre spacing units should be promulgated for the Baish-Wolfcamp Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

**IT IS THEREFORE ORDERED:**

That Special Rules and Regulations for the Baish-Wolfcamp Pool are hereby promulgated as follows:

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

**RULE 1.** Each well completed or recompleted in the Baish-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another

designated Wolfcamp oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a 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.** The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

**RULE 4.** The first well drilled on every standard or non-standard unit shall be located in the NE/4 or SW/4 of a governmental quarter section. All wells shall be located within 150 feet of the center of a governmental quarter-quarter section.

**RULE 5.** The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

**RULE 6.** A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

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

**IT IS FURTHER ORDERED:**

(1) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Baish-Wolfcamp Pool shall file a new Form C-128 with the Commission on or before September 15, 1964.

(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.

