

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. 13260
Order No. R-12141

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, CONTRACTING
VERTICAL AND HORIZONTAL LIMITS, REDESIGNATING,
RECLASSIFYING, AND EXTENDING CERTAIN POOLS IN
CHAVES, LEA, AND ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 29, 2004, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 10th day of May, 2004, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Wolfcamp formation, bearing the designation of Southwest Airstrip-Wolfcamp Pool (Pool Code 97339). The Southwest Airstrip-Wolfcamp Pool was discovered by the Concho Resources, Inc. Hornet State Well No. 1 (API No. 30-025-36391) located in Unit D of Section 3, Township 19 South, Range 34 East, NMPM, which was completed in the Wolfcamp formation on December 16, 2003. The top of the perforations is at 11,686 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Allison-Morrow Gas Pool (Pool Code 97327). The Allison-Morrow Gas Pool was discovered by the Layton Enterprises, Inc. El Zorro Fremont Federal Well No. 2 (API No. 30-025-

34703) located in Unit G of Section 1, Township 9 South, Range 36 East, NMPM, which was completed in the Morrow formation on December 10, 2003. The top of the perforations is at 11,752 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Upper Pennsylvanian formation, bearing the designation of Southwest Austin-Upper Pennsylvanian Pool (**Pool Code 97319**). The Southwest Austin-Upper Pennsylvanian Pool was discovered by the Chesapeake Operating, Inc. Hampton 1 Well No. 1 (**API No. 30-025-36036**) located in Unit N of Section 1, Township 15 South, Range 35 East, NMPM, which was completed in the Upper Pennsylvanian formation on October 29, 2003. The top of the perforations is at 11,616 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Abo formation, bearing the designation of Bough-Abo Pool (**Pool Code 97265**). The Bough-Abo Pool was discovered by the Penroc Oil Corporation Barnes Federal Well No. 2 (**API No. 30-025-02664**) located in Unit D of Section 24, Township 9 South, Range 35 East, NMPM, which was completed in the Abo formation on March 7, 2003. The top of the perforations is at 8,850 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Estacado-Morrow Gas Pool (**Pool Code 97345**). The Estacado-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Mandrell State Unit Well No. 1 (**API No. 30-025-36402**) located in Unit D of Section 19, Township 14 South, Range 35 East, NMPM, which was completed in the Morrow formation on February 2, 2004. The top of the perforations is at 13,051 feet.

(7) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Mississippian formation, bearing the designation of Falsey Draw-Mississippian Gas Pool (**Pool Code 97322**). The Falsey Draw-Mississippian Gas Pool was discovered by the Yates Petroleum Corporation Emjay BBJ Federal Well No. 1 (**API No. 30-005-21185**) located in Unit L of Section 8, Township 6 South, Range 30 East, NMPM, which was completed in the Mississippian formation on October 24, 2003. The top of the perforations is at 7,930 feet.

(8) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Upper Pennsylvanian formation, bearing the designation of Falsey Draw-Upper Pennsylvanian Gas Pool (**Pool Code 97313**). The Falsey Draw-Upper Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Emjay BBJ Federal Well No. 1 (**API No. 30-005-21185**) located in Unit L of Section 8, Township 6 South, Range 30 East, NMPM, which was completed in the Upper Pennsylvanian formation on October 1, 2003. The top of the perforations is at 7,302 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Tubb formation, bearing the designation of North

Fowler-Tubb Pool (**Pool Code 97325**). The North Fowler-Tubb Pool was discovered by the Arch Petroleum, Inc. S J Carr Well No. 5 (**API No. 30-025-11084**) located in Unit N of Section 10, Township 24 South, Range 37 East, NMPM, which was completed in the Tubb formation on August 17, 2003. The top of the perforations is at 6,006 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Mississippian formation, bearing the designation of Northeast Grassland-Mississippian Gas Pool (**Pool Code 97337**). The Northeast Grassland-Mississippian Gas Pool was discovered by the Yates Petroleum Corporation Adobe State AYE Well No. 1 (**API No. 30-025-29457**) located in Unit J of Section 11, Township 15 South, Range 34 East, NMPM, which was completed in the Mississippian formation on October 22, 2003. The top of the perforations is at 13,027 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Strawn formation, bearing the designation of Southwest Jabalina-Strawn Gas Pool (**Pool Code 97332**). The Southwest Jabalina-Strawn Gas Pool was discovered by the Pure Resources L.P. Madera 36 State Well No. 1 (**API No. 30-025-36087**) located in Unit A of Section 36, Township 26 South, Range 34 East, NMPM, which was completed in the Strawn formation on September 13, 2003. The top of the perforations is at 14,518 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of West Salt Lake-Morrow Gas Pool (**Pool Code 97346**). The West Salt Lake-Morrow Gas Pool was discovered by the Fasken Oil & Ranch LTD. Laguna 16 State Well No. 1 (**API No. 30-025-36437**) located in Unit P of Section 16, Township 20 South, Range 32 East, NMPM, which was completed in the Morrow formation on February 28, 2004. The top of the perforations is at 12,971 feet.

(13) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Bone Spring formation, bearing the designation of Northeast San Simon-Bone Spring Pool (**Pool Code 97324**). The Northeast San Simon-Bone Spring Pool was discovered by the Yates Petroleum Corporation Treat ASJ State Well No. 1 (**API No. 30-025-33692**) located in Unit B of Section 34, Township 21 South, Range 35 East, NMPM, which was completed in the Bone Spring formation on November 19, 2003. The top of the perforations is at 7,592 feet.

(14) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Grayburg and San Andres formations, bearing the designation of West Teague-Grayburg-San Andres Pool (**Pool Code 97323**). The West Teague-Grayburg-San Andres Pool was discovered by the Mack Energy Corporation Sapphire State Well No. 5 (**API No. 30-025-36309**) located in Unit A of Section 23, Township 23 South, Range 36 East, NMPM, which was completed in the San Andres formation on November 17, 2003. The top of the perforations is at 3,706 feet.

(15) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Atoka formation, bearing the designation of West Vacuum-Atoka Gas Pool (**Pool Code 97326**). The West Vacuum-Atoka Gas Pool was discovered by the Patterson Petroleum L. P. Heyward 32 State Com. Well No. 1 (**API No. 30-025-36224**) located in Unit L of Section 32, Township 17 South, Range 34 East, NMPM, which was completed in the Atoka formation on November 8, 2003. The top of the perforations is at 12,921 feet.

(16) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Paddock formation, bearing the designation of Northwest Wantz-Paddock Pool (**Pool Code 97266**). The Northwest Wantz-Paddock Pool was discovered by the Chevron U.S.A. Inc. H T Mattern NCT-C Well No. 11 (**API No. 30-025-25500**) located in Unit M of Section 8, Township 21 South, Range 37 East, NMPM, which was completed in the Paddock formation on August 5, 2002. The top of the perforations is at 5,228 feet.

(17) There is need for the contraction of the vertical limits of the Allison-Pennsylvanian Pool (**Pool Code 1149**) in Lea and Roosevelt Counties, New Mexico to include only the Cisco, Canyon and Strawn formations and the redesignation of the pool as the Allison-Upper Pennsylvanian Pool (**Pool Code 1149**).

(18) There is need for the contraction of the vertical limits of the East Caprock-Pennsylvanian Pool (**Pool Code 9120**) in Lea County, New Mexico to include only the Cisco, Canyon and Strawn formations and the redesignation of the pool as the East Caprock-Upper Pennsylvanian Pool (**Pool Code 9120**).

(19) There is need for the contraction of the North Eunice-San Andres Gas Pool (**Pool Code 76520**) in Lea County, New Mexico in order to correct nomenclature. The deleted acreage will be included in the Northwest Hare-San Andres Pool (**Pool Code 96835**).

(20) There is need for the reclassification of the Laguna-Seven Rivers Gas Pool (**Pool Code 79880**) in Lea County, New Mexico from a gas pool to an oil pool and the redesignation of the pool as the Laguna-Seven Rivers Pool (**Pool Code 79880**).

(21) There is need for certain extensions to the Southwest Austin-Morrow Gas Pool, the North Bell Lake-Morrow Gas Pool, the Bootleg Ridge-Morrow Gas Pool, the East Caprock-Upper Pennsylvanian Pool, the South Corbin-Bone Spring Pool, the Corbin-Delaware Pool, the D-K-Abo Pool, the Dempster Mill-Mississippian Gas Pool, the Diamondtail-Bone Spring Pool, the E-K-Bone Spring Pool, the Northwest Eight Mile Draw-Atoka Gas Pool, the Northwest Eight Mile Draw-Morrow Gas Pool, the Featherstone-Bone Spring Pool, the East Grama Ridge-Morrow Gas Pool, the Northwest Hare-San Andres Pool, the Hat Mesa-Morrow Gas Pool, the House-San Andres Pool, the Imperial-Tubb-Drinkard Pool, the East Lusk-Bone Spring Pool, the North Lusk-Morrow Gas Pool, the South Maljamar-Grayburg Pool, the Maljamar-Paddock Pool, the North Mescalero-Cisco Pool, the West Monument-Tubb Gas Pool, the Morton-Mississippian

Gas Pool, the North Morton-Morrow Gas Pool, the South Morton-Upper Pennsylvanian Pool, the Nadine-Drinkard-Abo Pool, the Quail Ridge-Atoka Gas Pool, the Quail Ridge-Morrow Gas Pool, the Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the Rock Lake-Morrow Gas Pool, the South Salt Lake-Atoka Gas Pool, the Sand Springs-Atoka-Morrow Gas Pool, the Shoe Bar-Atoka Gas Pool, the North Shoe Bar-Atoka Gas Pool, the North Shoe Bar-Morrow Gas Pool, the South Shoe Bar-Morrow Gas Pool, the Skaggs-Abo Gas Pool, the Skaggs-Drinkard Pool, the Northwest Skaggs-Glorieta Pool, the Tamano-Delaware Pool, the West Teas-Yates-Seven Rivers Pool, the Northwest Townsend-Abo Pool, the North Townsend-Mississippian Gas Pool, the Tres Papalotes-Pennsylvanian Pool, the Trinity-Wolfcamp Pool, the Triste Draw-Delaware Pool, the North Vacuum-Atoka-Morrow Gas Pool, the Vacuum-Grayburg-San Andres Pool, the Vacuum-Morrow Gas Pool, the Wantz-Abo Pool, the Weir-Blinebry Pool, and the North Young-Wolfcamp Pool, all in Lea County, New Mexico; and the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico.

(22) The effective date of this order and all creations, extensions, reclassifications, redesignations, and contractions of vertical and horizontal limits included herein should be May 1, 2004.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Southwest Airstrip-Wolfcamp Pool (**Pool Code 97339**), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 3: NW/4

(b) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Allison-Morrow Gas Pool (**Pool Code 97327**), consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 1: E/2

(c) A new pool in Lea County, New Mexico classified as an oil pool for Upper Pennsylvanian production is hereby created and designated as the Southwest Austin-Upper Pennsylvanian Pool (**Pool Code 97319**), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 1: SW/4

(d) A new pool in Lea County, New Mexico classified as an oil pool for Abo production is hereby created and designated as the Bough-Abo Pool (**Pool Code 97265**), consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

Section 24: NW/4

(e) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Estacado-Morrow Gas Pool (Pool Code 97345), consisting of the following described area:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM

Section 19: N/2

(f) A new pool in Chaves County, New Mexico classified as a gas pool for Mississippian production is hereby created and designated as the Falsey Draw-Mississippian Gas Pool (Pool Code 97322), consisting of the following described area:

TOWNSHIP 6 SOUTH, RANGE 30 EAST, NMPM

Section 8: S/2

(g) A new pool in Chaves County, New Mexico classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the Falsey Draw-Upper Pennsylvanian Gas Pool (Pool Code 97313), consisting of the following described area:

TOWNSHIP 6 SOUTH, RANGE 30 EAST, NMPM

Section 8: S/2

(h) A new pool in Lea County, New Mexico classified as an oil pool for Tubb production is hereby created and designated as the North Fowler-Tubb Pool (Pool Code 97325), consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 10: SW/4

(i) A new pool in Lea County, New Mexico classified as a gas pool for Mississippian production is hereby created and designated as the Northeast Grassland-Mississippian Gas Pool (Pool Code 97337), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 11: E/2

(j) A new pool in Lea County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the Southwest Jabalina-Strawn Gas Pool (Pool Code 97332), consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

Section 36: N/2 N/2 and Lots 1, 2, 3 and 4

(k) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the West Salt Lake-Morrow Gas Pool (**Pool Code 97346**), consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 16: E/2

(l) A new pool in Lea County, New Mexico classified as an oil pool for Bone Spring production is hereby created and designated as the Northeast San Simon-Bone Spring Pool (**Pool Code 97324**), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 34: NE/4

(m) A new pool in Lea County, New Mexico classified as an oil pool for Grayburg and San Andres production is hereby created and designated as the West Teague-Grayburg-San Andres Pool (**Pool Code 97323**), consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 23: NE/4

(n) A new pool in Lea County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the West Vacuum-Atoka Gas Pool (**Pool Code 97326**), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 32: W/2

(o) A new pool in Lea County, New Mexico classified as an oil pool for Paddock production is hereby created and designated as the Northwest Wantz-Paddock Pool (**Pool Code 97266**), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 8: SW/4

(p) The vertical limits of the Allison-Pennsylvanian Pool (**Pool Code 1149**) in Lea and Roosevelt Counties, New Mexico are hereby contracted to include only the Cisco, Canyon and Strawn formations and the pool is hereby redesignated as the Allison-Upper Pennsylvanian Pool (**Pool Code 1149**).

(q) The Southwest Austin-Morrow Gas Pool (**Pool Code 96664**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 1: S/2
Section 2: SE/4
Section 11: N/2

(r) The North Bell Lake-Morrow Gas Pool (Pool Code 71920) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 5: W/2
Section 8: NW/4

(s) The Bootleg Ridge-Morrow Gas Pool (Pool Code 72650) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 11: E/2
Section 12: SW/4

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 8: S/2

(t) The vertical limits of the East Caprock-Pennsylvanian Pool (Pool Code 9120) in Lea County, New Mexico are hereby contracted to include only the Cisco, Canyon and Strawn formations and the pool is hereby redesignated as the East Caprock-Upper Pennsylvanian Pool (Pool Code 9120).

(u) The East Caprock-Upper Pennsylvanian Pool (Pool Code 9120) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 11: N/2

(v) The North Chaveroo-Permo Pennsylvanian Pool (Pool Code 12020) in Roosevelt County, New Mexico is hereby extended to include:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 9: NE/4
Section 10: W/2

(w) The South Corbin-Bone Spring Pool (Pool Code 13160) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 8: SE/4
Section 17: N/2

(x) The Corbin-Delaware Pool (Pool Code 13190) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 31: NW/4

(y) The D-K-Abo Pool (Pool Code 15200) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 18: S/2

(z) The Dempster Mill-Mississippian Gas Pool (Pool Code 97291) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 25: E/2

(aa) The Diamondtail-Bone Spring Pool (Pool Code 17644) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 1: SW/4

(bb) The E-K-Bone Spring Pool (Pool Code 21650) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 31: SE/4

(cc) The Northwest Eight Mile Draw-Atoka Gas Pool (Pool Code 97028) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 15: S/2

(dd) The Northwest Eight Mile Draw-Morrow Gas Pool (Pool Code 97190) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 15: S/2

(ee) The North Eunice-San Andres Gas Pool (Pool Code 76520) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPPM

Section 18: S/2 NE/4

(ff) The Northwest Hare-San Andres Pool (Pool Code 96835) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPPM

Section 18: E/2 NW/4 and S/2 NE/4

(gg) The Featherstone-Bone Spring Pool (Pool Code 24250) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPPM

Section 9: SW/4

Section 17: SE/4

(hh) The East Grama Ridge-Morrow Gas Pool (Pool Code 77690) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPPM

Section 30: E/2

(ii) The Hat Mesa-Morrow Gas Pool (Pool Code 78240) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPPM

Section 3: Lots 1, 2, 3, 4, 5, 6, 7 and 8

(jj) The House-San Andres Pool (Pool Code 33440) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPPM

Section 10: SE/4

Section 11: SW/4

(kk) The Imperial-Tubb-Drinkard Pool (Pool Code 33600) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPPM

Section 21: NW/4

(ll) The Laguna-Seven Rivers Gas Pool (Pool Code 79880) in Lea County, New Mexico is hereby reclassified from a gas pool to an oil pool and the pool is hereby redesignated as the Laguna-Seven Rivers Pool (Pool Code 79880).

(mm) The East Lusk-Bone Spring Pool (**Pool Code 41442**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 15: SE/4

(nn) The North Lusk-Morrow Gas Pool (**Pool Code 80800**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: E/2
Section 20: NE/4
Section 22: E/2

(oo) The South Maljamar-Grayburg Pool (**Pool Code 44460**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 16: SE/4

(pp) The Maljamar-Paddock Pool (**Pool Code 44500**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 22: SW/4

(qq) The North Mescalero-Cisco Pool (**Pool Code 45750**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 11: NE/4

(rr) The West Monument-Tubb Gas Pool (**Pool Code 96968**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 6: NW/4

(ss) The Morton-Mississippian Gas Pool (**Pool Code 96593**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 5: S/2

(tt) The North Morton-Morrow Gas Pool (**Pool Code 97156**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 36: S/2

(uu) The South Morton-Upper Pennsylvanian Pool (**Pool Code 97300**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 17: SW/4

Section 18: SE/4

Section 20: NW/4

(vv) The Nadine-Drinkard-Abo Pool (**Pool Code 47510**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 15: NE/4

TOWNSHIP 19 SOUTH, RANGE 39 EAST, NMPM

Section 19: NW/4

(ww) The Quail Ridge-Atoka Gas Pool (**Pool Code 96485**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 36: W/2

(xx) The Quail Ridge-Morrow Gas Pool (**Pool Code 83280**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 28: S/2

(yy) The Red Tank-Bone Spring Pool (**Pool Code 51683**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 13: NE/4

(zz) The West Red Tank-Delaware Pool (**Pool Code 51689**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 34: SE/4

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 1: SW/4

(aaa) The Rock Lake-Morrow Gas Pool (Pool Code 83950) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 28: NW/4

(bbb) The South Salt Lake-Atoka Gas Pool (Pool Code 84440) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 3: Lots 1, 2, 3, 4, 5, 6, 7 and 8

Section 4: Lots 1, 2, 3, 4, 5, 6, 7 and 8

Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16 and SE/4

(ccc) The Sand Springs-Atoka-Morrow Gas Pool (Pool Code 84871) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 33: S/2

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 11: All

Section 12: N/2

(ddd) The Shoe Bar-Atoka Gas Pool (Pool Code 85210) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 23: E/2

(eee) The North Shoe Bar-Atoka Gas Pool (Pool Code 96763) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 3: SW/4 and Lots 11, 12, 13 and 14

(fff) The North Shoe Bar-Morrow Gas Pool (Pool Code 96882) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 32: S/2

(ggg) The South Shoe Bar-Morrow Gas Pool (Pool Code 85220) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 33: W/2

(hhh) The Skaggs-Abo Gas Pool (Pool Code 85410) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 11: NW/4

(iii) The Skaggs-Drinkard Pool (Pool Code 57000) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 36: SW/4

(jjj) The Northwest Skaggs-Glorieta Pool (Pool Code 97203) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: N/2

(kkk) The Tamano-Delaware Pool (Pool Code 97270) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 31: S/2

(lll) The West Teas-Yates-Seven Rivers Pool (Pool Code 59110) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 4: NE/4

(mmm) The Northwest Townsend-Abo Pool (Pool Code 59840) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 10: W/2

(nnn) The North Townsend-Mississippian Gas Pool (Pool Code 86390) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 23: SE/4

(ooo) The Tres Papalotes-Pennsylvanian Pool (Pool Code 59870) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 4: NE/4

(ppp) The Trinity-Wolfcamp Pool (Pool Code 59890) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 26: NW/4

(qqq) The Triste Draw-Delaware Pool (Pool Code 59930) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 27: SW/4

(rrr) The North Vacuum-Atoka-Morrow Gas Pool (Pool Code 86800) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 1: W/2

Section 12: NW/4

(sss) The Vacuum-Grayburg-San Andres Pool (Pool Code 62180) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 8: S/2

(ttt) The Vacuum-Morrow Gas Pool (Pool Code 86840) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 32: N/2 and SW/4

Section 33: N/2

(uuu) The Wantz-Abo Pool (Pool Code 62700) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 27: N/2

(vvv) The Weir-Blinebry Pool (Pool Code 63780) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: NW/4

(www) The North Young-Wolfcamp Pool (Pool Code 65590) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 6: E/2
Section 7: NE/4

• IT IS FURTHER ORDERED THAT:

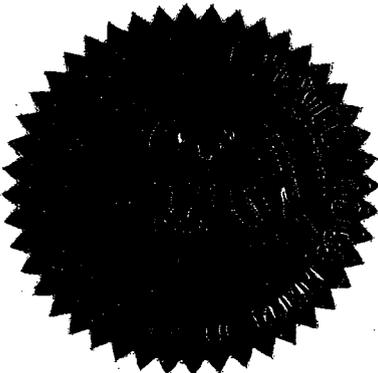
(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, extensions, contractions of vertical and horizontal limits, redesignations and reclassifications included herein shall be May 1, 2004.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOANNA PRUKOP
Cabinet Secretary/Acting Director



SEAL