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<u>CASE 13260</u>: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting vertical and horizontal limits, reclassifying, and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Southwest Airstrip-Wolfcamp Pool (Pool Code 97339). The discovery well is 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. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 3: NW/4

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Allison-Morrow Gas Pool (Pool Code 97327). The discovery well is 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. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 1: E/2

(c) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Upper Pennsylvanian production and designated as the Southwest Austin-Upper Pennsylvanian Pool (Pool Code 97319). The discovery well is 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. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 1: SW/4

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Abo production and designated as the Bough-Abo Pool (Pool Code 97265). The discovery well is 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. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

Section 24: NW/4

(e) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Estacado-Morrow Gas Pool (Pool Code 97345). The discovery well is 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. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM

Section 19: N/2

(f) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Mississippian production and designated as the Falsey Draw-Mississippian Gas Pool (Pool Code 97322). The discovery well is 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. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 30 EAST, NMPM

Section 8: S/2

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(g) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Upper Pennsylvanian production and designated as the Falsey Draw-Upper Pennsylvanian Gas Pool (Pool Code 97313). The discovery well is 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. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 30 EAST, NMPM

Section 8: S/2

(h) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Tubb production and designated as the North Fowler-Tubb Pool (Pool Code 97325). The discovery well is 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. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 10: SW/4

(i) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Northeast Grassland-Mississippian Gas Pool (Pool Code 97337). The discovery well is 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. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 11: E/2

(j) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production and designated as the Southwest Jabalina-Strawn Gas Pool (Pool Code 97332). The discovery well is 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. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

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

(k) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the West Salt Lake-Morrow Gas Pool (Pool Code 97346). The discovery well is 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. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM

Section 16: E/2

(1) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Bone Spring production and designated as the Northeast San Simon-Bone Spring Pool (Pool Code 97324). The discovery well is 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. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 34: NE/4

(m) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Grayburg and San Andres production and designated as the West Teague-Grayburg-San Andres Pool (Pool Code 97323). The discovery well is 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. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 23: NE/4

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(n) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the West Vacuum-Atoka Gas Pool (Pool Code 97326). The discovery well is 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. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 32: W/2

(o) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Paddock production and designated as the Northwest Wantz-Paddock Pool (Pool Code 97266). The discovery well is 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. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 8: SW/4

- (p) CONTRACT 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 redesignate the pool as the Allison-Upper Pennsylvanian Pool (Pool Code 1149).
- (q) EXTEND the Southwest Austin-Morrow Gas Pool (Pool Code 96664) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 1: S/2

Section 2: SE/4

Section 11: N/2

(r) EXTEND the North Bell Lake-Morrow Gas Pool (Pool Code 71920) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 5: W/2

Section 8: NW/4

(s) EXTEND the Bootleg Ridge-Morrow Gas Pool (Pool Code 72650) in Lea County, New Mexico 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) CONTRACT 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 redesignate the pool as the East Caprock-Upper Pennsylvanian Pool (Pool Code 9120).
- (u) EXTEND the East Caprock-Upper Pennsylvanian Pool (Pool Code 9120) in Lea County, New Mexico to include:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 11: N/2

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(v) EXTEND the North Chaveroo-Permo Pennsylvanian Pool (Pool Code 12020) in Roosevelt County, New Mexico to include:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 9: NE/4

Section 10: W/2

(w) EXTEND the South Corbin-Bone Spring Pool (Pool Code 13160) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 8: SE/4

Section 17: N/2

(x) EXTEND the Corbin-Delaware Pool (Pool Code 13190) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 31: NW/4

(y) EXTEND the D-K-Abo Pool (Pool Code 15200) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 18: S/2

(z) EXTEND the Dempster Mill-Mississippian Gas Pool (Pool Code 97291) in Lea County, New Mexico to include:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 25: E/2

(aa) EXTEND the Diamondtail-Bone Spring Pool (Pool Code 17644) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 1: SW/4

(bb) EXTEND the E-K-Bone Spring Pool (Pool Code 21650) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 31: SE/4

(cc) EXTEND the Northwest Eight Mile Draw-Atoka Gas Pool (Pool Code 97028) in Lea County, New Mexico to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 15: S/2

(dd) EXTEND the Northwest Eight Mile Draw-Morrow Gas Pool (Pool Code 97190) in Lea County, New Mexico to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 15: S/2

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 18: S/2 NE/4

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(ff) EXTEND the Northwest Hare-San Andres Pool (Pool Code 96835) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

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

(gg) EXTEND the Featherstone-Bone Spring Pool (Pool Code 24250) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 9: SW/4 Section 17: SE/4

(hh) EXTEND the East Grama Ridge-Morrow Gas Pool (Pool Code 77690) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 30: E/2

(ii) EXTEND the Hat Mesa-Morrow Gas Pool (Pool Code 78240) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

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

(jj) EXTEND the House-San Andres Pool (Pool Code 33440) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 10: SE/4 Section 11: SW/4

(kk) EXTEND the Imperial-Tubb-Drinkard Pool (Pool Code 33600) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 21: NW/4

- (11) RECLASSIFY the Laguna-Seven Rivers Gas Pool (**Pool Code 79880**) in Lea County, New Mexico from a gas pool to an oil pool and redesignate the pool as the Laguna-Seven Rivers Pool (**Pool Code 79880**).
- (mm) EXTEND the East Lusk-Bone Spring Pool (Pool Code 41442) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 15: SE/4

(nn) EXTEND the North Lusk-Morrow Gas Pool (Pool Code 80800) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 17: E/2

Section 20: NE/4

Section 22: E/2

(00) EXTEND the South Maljamar-Grayburg Pool (Pool Code 44460) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 16: SE/4

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(pp) EXTEND the Maljamar-Paddock Pool (Pool Code 44500) in Lea County, New Mexico to include:

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

(qq) EXTEND the North Mescalero-Cisco Pool (Pool Code 45750) in Lea County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 11: NE/4

(rr) EXTEND the West Monument-Tubb Gas Pool (Pool Code 96968) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 6: NW/4

(ss) EXTEND the Morton-Mississippian Gas Pool (Pool Code 96593) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 5: S/2

(tt) EXTEND the North Morton-Morrow Gas Pool (Pool Code 97156) in Lea County, New Mexico to include:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 36: S/2

(uu) EXTEND the South Morton-Upper Pennsylvanian Pool (Pool Code 97300) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 17: SW/4

Section 18: SE/4

Section 20: NW/4

(vv) EXTEND the Nadine-Drinkard-Abo Pool (Pool Code 47510) in Lea County, New Mexico 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) EXTEND the Quail Ridge-Atoka Gas Pool (Pool Code 96485) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 36: W/2

(xx) EXTEND the Quail Ridge-Morrow Gas Pool (Pool Code 83280) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 28: S/2

(yy) EXTEND the Red Tank-Bone Spring Pool (Pool Code 51683) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 13: NE/4

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(zz) EXTEND the West Red Tank-Delaware Pool (Pool Code 51689) in Lea County, New Mexico 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) EXTEND the Rock Lake-Morrow Gas Pool (Pool Code 83950) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 28: NW/4

(bbb) EXTEND the South Salt Lake-Atoka Gas Pool (Pool Code 84440) in Lea County, New Mexico 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) EXTEND the Sand Springs-Atoka-Morrow Gas Pool (Pool Code 84871) in Lea County, New Mexico 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) EXTEND the Shoe Bar-Atoka Gas Pool (Pool Code 85210) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 23: E/2

(eee) EXTEND the North Shoe Bar-Atoka Gas Pool (Pool Code 96763) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

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

(fff) EXTEND the North Shoe Bar-Morrow Gas Pool (Pool Code 96882) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 32: S/2

(ggg) EXTEND the South Shoe Bar-Morrow Gas Pool (Pool Code 85220) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 33: W/2

(hhh) EXTEND the Skaggs-Abo Gas Pool (Pool Code 85410) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 11: NW/4

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(iii) EXTEND the Skaggs-Drinkard Pool (Pool Code 57000) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 36: SW/4

(jjj) EXTEND the Northwest Skaggs-Glorieta Pool (Pool Code 97203) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 3: N/2

(kkk) EXTEND the Tamano-Delaware Pool (Pool Code 97270) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 31: S/2

(Ill) EXTEND the West Teas-Yates-Seven Rivers Pool (Pool Code 59110) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 4: NE/4

(mmm) EXTEND the Northwest Townsend-Abo Pool (Pool Code 59840) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 10: W/2

(nnn) EXTEND the North Townsend-Mississippian Gas Pool (Pool Code 86390) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 23: SE/4

(000) EXTEND the Tres Papalotes-Pennsylvanian Pool (Pool Code 59870) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 4: NE/4

(ppp) EXTEND the Trinity-Wolfcamp Pool (Pool Code 59890) in Lea County, New Mexico to include:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 26: NW/4

(qqq) EXTEND the Triste Draw-Delaware Pool (Pool Code 59930) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 27: SW/4

(rrr) EXTEND the North Vacuum-Atoka-Morrow Gas Pool (Pool Code 86800) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 1: W/2

Section 12: NW/4

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(sss) EXTEND the Vacuum-Grayburg-San Andres Pool (Pool Code 62180) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 8: S/2

(ttt) EXTEND the Vacuum-Morrow Gas Pool (Pool Code 86840) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 32: N/2 and SW/4

Section 33: N/2

(uuu) EXTEND the Wantz-Abo Pool (Pool Code 62700) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 27: N/2

(vvv) EXTEND the Weir-Blinebry Pool (Pool Code 63780) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 2: NW/4

(www) EXTEND the North Young-Wolfcamp Pool (Pool Code 65590) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 6: E/2 Section 7: NE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.