

OIL CONSERVATION DIVISION ARTESIA, NEW MEXICO DISTRICT II

SEP 0 7 2004

NOMENCLATURE ADVERTISEMENTOIL CONSERVATION

In the matter of the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department upon its own motion for an order for the creation, discovery allowable assignment and extension of certain existing pools in Eddy County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof, to show cause why such creation, discovery allowable assignment, and extensions and or deletions should not be made.

(A) Create a new pool in Eddy County, New Mexico classified as a gas pool and designated as the Cottonwood Draw; Morrow Gas Pool (Pool Code 97377). The discovery well, the Liberty '24' Federal Com. #1 (API No. 30-015-33094) completed by Gruy Petroleum Management Company, is located in Unit E of Section 24, Township 25 South, Range 26 East, NMPM.

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 24: W/2 / / (B) Create a new pool in Eddy County, New Mexico classified as a gas pool and designated as the Henshaw; Ordovician Oil Pool (Pool Code 97376). The discovery well, the Henshaw 'A" Federal #1 (API No. 30-015-32891) completed by Chesapeake Operating, Inc., is located in Unit J of Section 14, Township 16 South, Range 30 East, NMPM.

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 14: SE/4

(C) Create a new pool in Chaves County, New Mexico classified as a gas pool and designated as the Huggins Draw; Pennsylvanian Gas Pool (Pool Code 97374). The discovery well, the Luther 'BBN' Federal Com. #1 (API No. 30-005-63548) completed by Yates Petroleum Corporation, is located in Unit O of Section 13, Township 5 South, Range 25 East, NMPM.

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 13: E/2

TOWNSHIP 5 SOUTH, RANGE 26 EAST, NMPM

Section 18: SW/4 & Section 19: NW/4 & S/2

(D) Create a new pool in Eddy, New Mexico classified as a gas pool and designated as the Pecos River; Morrow Gas Pool (Pool Code 97375). The discovery well, the Clarence 'BCU' #1 (API No. 30-015-33148) completed by Yates Petroleum Corporation, is located in Unit D of Section 14, Township 16 South, Range 26 East, NMPM.

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM

Section 14: W/2

(E) Extend the Angell Ranch; Atoka-Morrow Gas Pool (Pool Code 70310) in Eddy County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 5: W/2

(F) Extend the Artesia; Glorieta-Yeso Oil Pool (Pool Code 96830) in Eddy County, New Mexico to include therein;

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 29: S/2

(G) Extend the Carlsbad; Morrow, East Gas Pool (Pool Code 74160) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 2: S/2

(H) Extend the Carlsbad; Morrow, South Gas Pool (Pool Code 73960) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 22: N/2

(I) Extend the Crooked Creek; Morrow Gas Pool (Pool Code 75400) in Eddy County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM

Section 32: S/2

(J) Extend the Fenton Draw; Strawn Oil Pool (Pool Code 24340) in Eddy County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 17: SW/4

(K) Extend the Foor Ranch; Pre-Permian Gas Pool (Pool Code 76730) in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 8: W/2

(L) Extend the Getty; Morrow Gas Pool (Pool Code 77400) in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM

Section 19: W/2

(M) Extend the Grayburg; Atoka Gas Pool (Pool Code 77720) in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 28: N/2

(N) Extend the Nash Draw; Delaware Oil Pool (Pool Code 47545) in Eddy County, New Mexico to include therein:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 8: NW/4

(O) Extend the Palma Mesa; Pennsylvanian Gas (Pool Code 82550) in Chaves County, New Mexico to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 24: ALL

(P) Extend the Pecos Slope; Abo Gas Pool (Pool Code 82730) in Chaves County, New Mexico to include therein:

TOWNSHIP 9 SOUTH, RANGE 24 EAST, NMPM

Section 26: SE/4

(Q) Extend the Penasco Draw; Permo-Pennsylvanian Gas Pool (Pool Code 82775) in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 28: E/2

(R) Extend the Red Lake Shores; Grayburg Oil Sas Pool (Pool Code 97335) in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 19: SE/4 & Section 20: NW/4

(S) Extend the Shugart; Bone Spring, North Oil Pool (Pool Code 56400) in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 1: E/2

(T) Extend the Willow Lake; Delaware, Southwest Oil Pool (Pool Code 96855) in Eddy County, New Mexico to include therein:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 3: SW/4