

Case 13585

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
NOMENCLATURE ADVERTISEMENT FOR HEARING OCTOBER 20, 2005

In the matter of the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department upon it's own motion for an order creating, contracting and extending certain pools in Chaves and Lea Counties New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to show cause why such creations and extensions should not be made.

- (a) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Devonian production designated as the Burtner;Devonian, North Pool (**pool code: 97455**). The discovery well is the Energen Resources Corp., Saunders Deep State, Well No. 1 (**API No. 30-025-36859**), located in Unit A of Section 3, Township 15 South, Range 33 East, NMPM. It was completed May 24, 2005, in the Devonian formation. The top of the open hole is at 13,542 feet. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 3: NE/4

- (b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production designated as the Button Mesa;Atoka, South (Gas) Pool (**pool code: 97462**). The discovery well is the Yates Petroleum Corp., Faron State Unit, Well No. 1 (**API No. 30-025-37075**), located in Unit B of Section 5, Township 9 South, Range 32 East, NMPM. It was completed June 11, 2005, in the Atoka formation. The top of the perforations is at 10,577 feet. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 5: E/2

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Atoka production designated as the Caprock;Atoka, West (Gas) Pool (**pool code: 97460**). The discovery well is the Yates Petroleum Corp., Patsy State Unit, Well No. 2 (**API No. 30-005-27934**), located in Unit M of Section 11, Township 12 South, Range 31 East, NMPM. It was completed June 24, 2005, in the Atoka formation. The top of the perforations is at 10,722 feet. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM ✓  
Section 11: W/2

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- (d) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production designated as the Dempster Mill;Strawn (Gas) Pool (**pool code: 97471**). The discovery well is the Yates Petroleum Corp., Dempster Mill Unit, Well No. 2 (**API No. 30-025-36785**), located in Unit L of Section 31, Township 11 South, Range 36 East, NMPM. It was completed July 21, 2005, in the Strawn formation. The top of the perforations is at 11,836 feet. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 36 EAST, NMPM ✓  
Section 31: S/2

- (e) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Grayburg production designated as the Hume;Grayburg, West Pool (**pool code: 97444**). The discovery well is the Mack Energy Corp., Snapper State, Well No. 1 (**API No. 30-025-37053**), located in Unit F of Section 14, Township 16 South, Range 33 East, NMPM. It was completed May 10, 2005, in the Grayburg formation. The top of the perforations is at 4,398 feet. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 14: NW/4 and S/2  
Section 23: E/2

- (f) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production designated as the Jenkins;Atoka, South (Gas) Pool (**pool code: 97475**). The discovery well is the Yates Petroleum Corp., Vince BGH, Well No. 1 (**API No. 30-025-37104**), located in Unit J of Section 30, Township 9 South, Range 35 East, NMPM. It was completed July 6, 2005, in the Atoka formation. The top of the perforations is at 11,607 feet. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 30: S/2

- (g) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production designated as the Mescalero;Morrow, North (Gas) Pool (**pool code: 97472**). The discovery well is the Yates Petroleum Corp., Fender State Unit, Well No. 1 (**API No. 30-025-00012**), located in Unit K of Section 9, Township 10 South, Range 32 East, NMPM. It was completed August 4, 2005, in the Morrow formation. The top of the perforations is at 11,244 feet. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 9: S/2

- (h) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production designated as the Pronghorn;Morrow, East (Gas) Pool (**pool code: 97468**). The discovery well is the Chesapeake Operating Inc., Gurney 3 State, Well No. 1 (**API No. 30-025-37082**), located in Unit K of Section 3, Township 23 South, Range 33 East, NMPM. It was completed June 4, 2005, in the Morrow formation. The top of the perforations is at 14,679 feet. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 3: W/2

- (i) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production designated as the Reeves;Wolfcamp, South Pool (**pool code: 97467**). The discovery well is the Paladin Energy Corp., South Vacuum Unit, Well No. 261 (**API No. 30-025-03134**), located in Unit M of Section 26, Township 18 South, Range 35 East, NMPM. It was completed June 8, 2005, in the Wolfcamp formation. The top of the perforations is at 9,950 feet. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 26: SW/4

- (j) CONTRACT vertical limits of the Button Mesa;Pennsylvanian, South Pool (**Pool Code 8380**) to include only the Cisco, Canyon and Strawn formations and redesignate the pool as the Button Mesa;Upper Pennsylvanian, South Pool (**Pool Code 8380**). ✓

- (k) CONTRACT horizontal limits of the Vacuum;Abo Reef Pool (**Pool Code 61780**) by deleting therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 25: SE/4

- (l) Extend the vertical limits of the Mescalero;Cisco, North Pool (**pool code: 45750**) to include only the Cisco, Canyon and Strawn formations. Redesignate the Mescalero;Cisco, North Pool as the Mescalero;Upper Pennsylvanian, North Pool (**pool code: 45750**) ✓

- (m) Extend the Antelope Ridge;Bone Spring Pool (**pool code: 2200**) in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 36: N/2 and SE/4

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 31: SW/4

- (n) Extend the Bagley;Morrow, East (Gas) Pool (**pool code: 97424**) in Lea County, New Mexico to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 7: N/2

- (o) Extend the Bell Lake;Delaware, South Pool (**pool code: 97051**) in Lea County, New Mexico to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 6: NW/4

- (p) Extend the Brinninstool;Morrow (Gas) Pool (**pool code: 72880**) in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 29: W/2 and NE/4

- (q) Extend the Brunson;(South)Drinkard-Abo Pool (**pool code: 7900**) in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM ✓  
Section 8: N/2

- (r) Extend the Cinta Roja;Delaware Pool (**pool code: 96341**) in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 31: S//2

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 6: NE/4

- (s) Extend the Corbin;Morrow, South (Gas) Pool (**pool code: 75080**) in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM ✓

Section 23: SE/4

Section 24: W/2

- (t) Extend the Dempster Mill;Atoka (Gas) Pool (**pool code: 97299**) in Lea County, New Mexico to include therein:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM ✓

Section 36: E/2

TOWNSHIP 11 SOUTH, RANGE 36 EAST, NMPM ✓

Section 31: S/2

- (u) Extend the Double A;Abo, South Pool (**pool code: 19050**) in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM ✓

Section 25: SE/4

- (v) Extend the Drinkard Pool (**pool code: 19190**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM ✓

Section 4: Lot 15

- (w) Extend the Eight Mile Draw;Morrow, Northwest (Gas) Pool (**pool code: 97190**) in Lea County, New Mexico to include therein:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM ✓

Section 33: N/2

Section 34: W/2

- (x) Extend the E-K;Yates-Seven Rivers-Queen Pool (**pool code: 19950**) in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM ✓

Section 11: SW/4

- (y) Extend the Featherstone;Bone Spring, East Pool (**pool code: 24270**) in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 24: S/2

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM ✓  
Section 19: SW/4

- (z) Extend the Four Lakes;Mississippian (Gas) Pool (**pool code: 97053**) in Lea County, New Mexico to include therein:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 29: W/2  
Section 32: W/2

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 5: NW/4

- (aa) Extend the Four Lakes;Morrow (Gas) Pool (**pool code: 97082**) in Lea County, New Mexico to include therein:

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 18: N/2

- (bb) Extend the Gem;Delaware Pool (**pool code: 27250**) in Lea County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 33: N/2 and SW/4

- (cc) Extend the Grama Ridge;Morrow (Gas) Pool (**pool code: 77680**) in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 8: N/2

- (dd) Extend the Grayburg Jackson;Seven Rivers-Queen-Grayburg-San Andres Pool (**pool code: 28509**) in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 30: NE/4

- (ee) Extend the Hardin Tank; Bone Spring Pool (**pool code: 96661**) in Lea County, New Mexico to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 35: S/2

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 2: NW/4  
Section 3: NE/4

- (ff) Extend the Hat Mesa; Delaware, Southeast Pool (**pool code: 97210**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 1: Lots 3,4,5,6,11,12,13 and 14

- (gg) Extend the Hat Mesa; Morrow (Gas) Pool (**pool code: 78240**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 15: E/2

- (hh) Extend the Hightower; Wolfcamp, North Pool (**pool code: 97432**) in Lea County, New Mexico to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 35: SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 2: NE/4

- (ii) Extend the Hobbs; Abo, Northwest Pool (**pool code: 97212**) in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM ✓  
Section 19: NW/4

- (jj) Extend the Hume;Queen, West Pool (**pool code: 33560**) in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 14: NW/4  
Sec 23: N/2 and SE/4

- (kk) Extend the Jabalina;Strawn, Southwest (Gas) Pool (**pool code: 97332**) in Lea County, New Mexico to include therein:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 24: SE/4 and W/2

- (ll) Extend the Jalmat;Tansill-Yates-Seven Rivers (Gas) Pool (**pool code: oil-33820 gas-79240**) in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 23: NW/4

- (mm) Extend the Lusk;Bone Spring, East Pool (**pool code: 41442**) in Lea County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 24: S/2

- (nn) Extend the Lusk;Bone Spring, North Pool (**pool code: 41450**) in Lea County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 28: SW/4  
Section 31: NE/4  
Section 33: NW/4

- (oo) Extend the Lusk;Morrow, East (Gas) Pool (**pool code: 80770**) in Lea County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM ✓  
Section 14: S/2

- (pp) Extend the Maljamar;Grayburg-San Andres Pool (**pool code: 43329**) in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM ✓

Section 31: E/2  
Section 32: SW/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM ✓

Section 5: NW/4 and SE/4

- (qq) Extend the Midway;Bone Spring Pool (**pool code: 46310**) in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM ✓

Section 13: S/2  
Section 14: S/2  
Section 15: SE/4

- (rr) Extend the Osudo;Morrow (Gas) Pool (**pool code: 82120**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM ✓

Section 7: E/2

- (ss) Extend the Osudo;Morrow, South (Gas) Pool (**pool code: 82200**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM ✓

Section 9: S/2

- (tt) Extend the Paddock Pool (**pool code: 49210**) in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM ✓

Section 36: NE/4

- (uu) Extend the Pearl;Queen Pool (**pool code: 49780**) in Lea County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM ✓

Section 24: SE/4

- (vv) Extend the Red Tank;Bone Spring Pool (**pool code: 51683**) in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM ✓

Section 13: SE/4

- (ww) Extend the Red Tank;Bone Spring, East Pool (**pool code: 51687**) in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM ✓

Section 8: SW/4 Section 17: W/2

- (xx) Extend the Sand Springs;Abo Pool (**pool code: 96803**) in Lea County, New Mexico to include therein:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM ✓

Section 35: SW/4

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM ✓

Section 6: Lots 1 and 2

- (yy) Extend the Sand Springs;Atoka-Morrow (Gas) Pool (**pool code: 84871**) in Lea County, New Mexico to include therein:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM ✓

Section 10: E/2

- (zz) Extend the Skaggs;Drinkard Pool (**pool code: 57000**) in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM ✓

Section 2: SW/4

- (aaa) Extend the Stateline;Ellenburger Pool (**pool code: 57810**) in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM ✓

Section 32: NE/4

- (bbb) Extend the Teas;Pennsylvanian (Gas) Pool (**pool code: 86040**) in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM ✓

Section 14: S/2

- (ccc) Extend the Townsend;Mississippian, North (Gas) Pool (**pool code: 86390**) in Lea County, New Mexico to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM ✓  
Section 25: NW/4 and S/2

- (ddd) Extend the Trinity;Wolfcamp Pool (**pool code: 59890**) in Lea County, New Mexico to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM ✓  
Section 15: SW/4  
Section 27: SE/4  
Sec 33: N/2

- (eee) Extend the Vacuum;Atoka-Morrow, North (Gas) Pool (**pool code: 86800**) in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 23: SW/4

- (fff) Extend the Vacuum;Morrow (Gas) Pool (**pool code: 86840**) in Lea County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 32: SE/4

- (ggg) Extend the Warren;Abo, West Pool (**pool code: 62940**) in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM ✓  
Section 17: NW/4

- (hhh) Extend the Warren;Drinkard, East Pool (**pool code: 63120**) in Lea County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM ✓  
Section 36: SW/4

- (iii) Extend the Weir;Blinebry Pool (**pool code: 63780**) in Lea County, New Mexico to include therein:

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

- (jjj) Extend the X-4 Ranch;Morrow (Gas) Pool (**pool code: 97049**) in Lea County, New Mexico to include therein:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 4: W/2 and SE/4

- (kkk) Extend the X-4 Ranch;Morrow, West (Gas) Pool (**pool code: 97382**) in Lea County, New Mexico to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM ✓  
Section 1: N/2

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM ✓  
Section 6: E/2 and NW/4