MS.

OIL CONSERVATION DIVISION ARTESIA, NEW MEXICO DISTRICT II

Case 11/2/ R-10234

NOMENCLATURE ADVERTISEMENT

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 creations, discovery allowable assignment and extensions should not be made.

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Esperanza-Bone Spring Pool. The discovery well is the Union Oil Company of California Wersell A No. 1 located in Unit C of Section 3, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM Section 3: NW/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Happy Valley-Atoka, South Gas Pool. The discovery well is the Lynx Petroleum Consultants, Inc. Lee K Federal No. 1 located in Unit J of Section 21, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM Section 21: E/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pierce Crossing-Bone Spring, East Pool. The discovery well is the Pogo Producing Co. River Bend Federal No. 7 located in Unit E of Section 23, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM ✓ Section 23: NW/4

(d) EXTEND the Burton Flat-Strawn, West Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM VSection 11: N/2

(e) EXTEND the Cedar Lake-Morrow, East Gas Pool in Eddy County, New Mexico, to include therein:

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

(f) EXTEND the Dagger Draw-Upper Pennsylvanian, South Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM Entire Sections 1,2,12

Further, contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, and expand the Dagger Draw-Upper Pennsylvanian, South Associated Pool to include Section 11, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

(g) EXTEND the Eagle Creek-Permo Penn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 2: E/2

(h) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM Section 34: SE/4

(i) EXTEND the Indian Loafer Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM Section 1: W/2

Section 12: NW/4

(j) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM Section 3: NW/4

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(k) EXTEND the Winchester-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 36: N/2