

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. 11737
Order No. R-10776

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 20, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of February, 1997, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) 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, said pool to bear the designation of South Berry-Bone Spring Pool. Said South Berry-Bone Spring Pool was discovered by the Yates Petroleum Corporation Alphabet Unit Well No. 2 located in Unit F of Section 17, Township 21 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on November 30, 1996. The top of the perforations is at 9,239 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for

the production of gas from the Atoka formation, said pool to bear the designation of West Bilbrey-Atoka Gas Pool. Said West Bilbrey-Atoka Gas Pool was discovered by the Kaiser Francis Oil Company Federal CK Com Well No. 1 located in Unit H of Section 6, Township 22 South, Range 32 East, NMPM. It was completed in the Atoka formation on July 28, 1996. The top of the perforations is at 13,630 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of East Caprock-Atoka Gas Pool. Said East Caprock-Atoka Gas Pool was discovered by the J & G Enterprise Ltd. Company Stetson Well No. 1 located in Unit G of Section 26, Township 12 South, Range 32 East, NMPM. It was completed in the Atoka formation on October 30, 1996. The top of the perforations is at 10,790 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of West Cinta Roja-Morrow Gas Pool. Said West Cinta Roja-Morrow Gas Pool was discovered by the Pogo Producing Company Allison Federal Com Well No. 1 located in Unit H of Section 7, Township 24 South, Range 35 East, NMPM. It was completed in the Morrow formation on July 2, 1996. The top of the perforations is at 13,894 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of East Cotton Draw-Delaware Pool. Said East Cotton Draw-Delaware Pool was discovered by the Yates Petroleum Corporation Haracz AMO Federal Well No. 7 located in Unit F of Section 19, Township 24 South, Range 32 East, NMPM. It was completed in the Delaware formation on October 16, 1996. The top of the perforations is at 8,245 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Southeast Cotton Draw-Delaware Pool. Said Southeast Cotton Draw-Delaware Pool was discovered by the Santa Fe Energy Resources, Inc. Turquoise 30 Federal Well No. 1 located in Unit F of Section 30, Township 24 South, Range 32 East, NMPM. It was completed in the Delaware formation on September 20, 1996. The top of the perforations is at 7,254 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Southeast Denton-Devonian Pool. Said Southeast Denton-Devonian Pool was discovered by the Browning Oil Company, Inc. Knowles Well No. 1 located in Unit J of Section 1, Township 16 South, Range 38 East, NMPM. It was completed in the Devonian formation on August 29, 1996. The top of the perforations is at 12,955 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of East Diamondtail-Delaware Pool. Said East Diamondtail-Delaware Pool was discovered by the Yates Petroleum Corporation April APZ State Well No. 1 located in Unit A of Section 12, Township 23 South, Range 32 East, NMPM. It was completed in the Delaware formation on October 23, 1996. The top of the perforations is at 7,741 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of North Diamondtail-Morrow Gas Pool. Said North Diamondtail-Morrow Gas Pool was discovered by the Pogo Producing Company Red Tank 34 Federal Well No. 1 located in Unit B of Section 34, Township 22 South, Range 32 East, NMPM. It was completed in the Morrow formation on August 28, 1996. The top of the perforations is at 14,760 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Hardin Tank-Wolfcamp Pool. Said Hardin Tank-Wolfcamp Pool was discovered by the Enron Oil & Gas Company Jamaica Olsen Federal Well No. 1 located in Unit J of Section 35, Township 25 South, Range 34 East, NMPM. It was completed in the Wolfcamp formation on October 25, 1996. The top of the perforations is at 13,345 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of East Hare-San Andres Pool. Said East Hare-San Andres Pool was discovered by the Exxon Corporation New Mexico PO State Well No. 1 located in Unit O of Section 10, Township 21 South, Range 37 East, NMPM. It was completed in the San Andres formation on October 13, 1996. The top of the perforations is at 4,022 feet.

(13) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Central Justis-Abo Pool. Said Central Justis-Abo Pool was discovered by the Arch Petroleum, Inc. Learcy McBuffington Well No. 9 located in Unit K of Section 13, Township 25 South, Range 37 East, NMPM. It was completed in the Abo formation on May 8, 1996. The top of the perforations is at 6,231 feet.

(14) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Cisco formation, said pool to bear the designation of Northeast Mescalero-Cisco Pool. Said Northeast Mescalero-Cisco Pool was discovered by the Manzano Oil Corporation Jordan State Well No. 1 located in Unit B of Section 12, Township 10 South, Range 32 East, NMPM. It was completed in the Cisco formation on October 21, 1996. The top of the perforations is at 8,833 feet.

(15) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of West Midway-Upper Pennsylvanian Pool. Said West Midway-Upper Pennsylvanian Pool was discovered by the Primero Operating, Inc. Shoebar State Well No. 1 located in Unit N of Section 15, Township 17 South, Range 35 East, NMPM. It was completed in the Pennsylvanian formation on June 21, 1996. The top of the perforations is at 10,989 feet.

(16) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Mississippian formation, said pool to bear the designation of Morton-Mississippian Gas Pool. Said Morton-Mississippian Gas Pool was discovered by the Yates Petroleum Corporation Morton Unit Well No. 1 located in Unit B of Section 5, Township 15 South, Range 35 East, NMPM. It was completed in the Mississippian formation on November 25, 1996. The top of the perforations is at 13,407 feet.

(17) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of West Ojo Chiso-Morrow Gas Pool. Said West Ojo Chiso-Morrow Gas Pool was discovered by the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 1 located in Unit G of Section 29, Township 22 South, Range 34 East, NMPM. It was completed in the Morrow formation on October 23, 1996. The top of the perforations is at 12,955 feet.

(18) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of North Pearl-San Andres Pool. Said North Pearl-San Andres Pool was discovered by the Chi Operating, Inc. Oyster Well No. 1 located in Unit N of Section 22, Township 19 South, Range 35 East, NMPM. It was completed in the San Andres formation on October 24, 1996. The top of the perforations is at 5,420 feet.

(19) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of South Sawyer-Devonian Pool. Said South Sawyer-Devonian Pool was discovered by the Cobra Oil & Gas Corporation Bronco Farms 5 Federal Well No. 5 located in Unit B of Section 5, Township 10 South, Range 38 East, NMPM. It was completed in the Devonian formation on November 12, 1996. The top of the perforations is at 11,873 feet.

(20) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Northeast Shoe Bar-Strawn Pool. Said Northeast Shoe Bar-Strawn Pool was discovered by the Chesapeake Operating, Inc. Chambers 7 Well No. 1 located in Unit H of Section 7, Township 16 South, Range 36 East, NMPM. It was completed in the Strawn formation on

November 25, 1996. The top of the perforations is at 11,458 feet.

(21) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Mid Teague-Abo Pool. Said Mid Teague-Abo Pool was discovered by the Arch Petroleum, Inc. C. E. Lamunyon Well No. 10 located in Unit L of Section 22, Township 23 South, Range 37 East, NMPM. It was completed in the Abo formation on April 13, 1996. The top of the perforations is at 6,575 feet.

(22) 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, said pool to bear the designation of East Teas-Bone Spring Pool. Said East Teas-Bone Spring Pool was discovered by the Read & Stevens, Inc. Unocal 8 Federal Well No. 1 located in Unit E of Section 8, Township 20 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on September 6, 1996. The top of the perforations is at 9,408 feet.

(23) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Tres Papalotes-Atoka Gas Pool. Said Tres Papalotes-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Papalotes Unit Well No. 1 located in Unit I of Section 34, Township 14 South, Range 34 East, NMPM. It was completed in the Atoka formation on June 1, 1996. The top of the perforations is at 12,634 feet.

(24) 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, said pool to bear the designation of Triste Draw-Bone Spring Pool. Said Triste Draw-Bone Spring Pool was discovered by the Meridian Oil, Inc. Diamondtail 34 Federal Well No. 3 located in Unit G of Section 34, Township 23 South, Range 32 East, NMPM. It was completed in the Bone Spring formation on August 4, 1996. The top of the perforations is at 9,900 feet.

(25) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of East Vacuum-Morrow Gas Pool. Said East Vacuum-Morrow Gas Pool was discovered by the Shell Western Exploration & Production, Inc. State Ridge B Well No. 1 located in Unit I of Section 30, Township 17 South, Range 35 East, NMPM. It was completed in the Morrow formation on June 11, 1996. The top of the perforations is at 11,518 feet.

(26) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of South Young-Grayburg Pool. Said South Young-Grayburg Pool was discovered by the Chevron USA Inc. Keel A Federal Well No. 2 located in Unit O of Section 33, Township 18 South,

Case No. 11737
Order No. R-10776
Page -6-

Range 32 East, NMPM. It was completed in the Grayburg formation on August 1, 1996. The top of the perforations is at 4,569 feet.

(27) There is need for the abolishment of the Teague-Paddock Pool in Lea County, New Mexico, in order to correct nomenclature.

(28) There is need for the contraction of the Teague-Abo Gas Pool in Lea County, New Mexico, in order to correct nomenclature by placing the deleted acreage in the newly created Mid Teague-Abo Pool.

(29) There is need for the extension of the vertical limits of the Teague-Blinebry Pool in Lea County, New Mexico, to include the Paddock formation and the redesignation of said pool as the Teague Paddock-Blinebry Pool.

(30) There is need for the reclassification of the East Warren-Tubb Gas Pool as an oil pool and the redesignation of said pool as the East Warren-Tubb Pool.

(31) There is need for the extension of the North Allison-San Andres Pool in Roosevelt County, New Mexico, and the East Bell Lake-Delaware Pool, the Byers-Yates Gas Pool, the South Corbin-Wolfcamp Pool, the Crazy Horse-Delaware Pool, the South Crossroads-Devonian Pool, the Diamondtail-Bone Spring Pool, the Eunice-San Andres Pool, the Fowler-Fusselman Pool, the Hat Mesa-Delaware Pool, the Johnson Ranch-Wolfcamp Gas Pool, the Mid Justis-Abo Gas Pool, the Kemnitz-Upper Wolfcamp Pool, the Northeast Lea-Delaware Pool, the Northeast Lovington-Pennsylvanian Pool, the West Lovington-Strawn Pool, the West Lynch-Morrow Gas Pool, the Maljamar-Grayburg-San Andres Pool, the Monument-Abo Pool, the North Monument-Abo Pool, the Monument-Paddock Pool, the North Paddock Pool, the Penrose Skelly-Grayburg Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the Teague-Abo Gas Pool, the Teague-Blinebry Pool, the Tonto-Seven Rivers Pool, the Triste Draw-Delaware Pool, the West Triste Draw-Delaware Pool, the Vacuum-Atoka-Morrow Gas Pool, the Vacuum-Blinebry Pool, the Warren-Grayburg-San Andres Pool, the Weir-Blinebry Pool, the Young-Queen Pool, and the South Young-San Andres Pool, all in Lea County, New Mexico, and the Vest Ranch-Upper Pennsylvanian Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the South Berry-Bone Spring Pool, consisting of the following described area:

Case No. 11737
Order No. R-10776
Page -7-

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 17: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 6: E/2

(c) A new pool in Lea County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the East Caprock-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 26: N/2

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

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

(e) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the East Cotton Draw-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 19: NW/4

(f) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Southeast Cotton Draw-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 30: NW/4

(g) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Southeast Denton-Devonian Pool, consisting of the following described area:

Case No. 11737
Order No. R-10776
Page -8-

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 1: Lots 9, 10, 15, and 16

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 12: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 34: N/2

(j) A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Hardin Tank-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 35: SE/4

(k) A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the East Hare-San Andres Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 10: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4

(m) A new pool in Lea County, New Mexico, classified as an oil pool for Cisco production is hereby created and designated as the Northeast Mescalero-Cisco Pool, consisting of the following described area:

Case No. 11737
Order No. R-10776
Page -9-

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

(n) A new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the West Midway-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 15: SW/4

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

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

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 29: N/2

(q) A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the North Pearl-San Andres Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 22: SW/4

(r) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the South Sawyer-Devonian Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM
Section 5: NE/4

(s) A new pool in Lea County, New Mexico, classified as an oil pool for Strawn production is hereby created and designated as the Northeast Shoe Bar-Strawn Pool, consisting of the following described area:

Case No. 11737
Order No. R-10776
Page -10-

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

(u) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the East Teas-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 8: NW/4

(v) A new pool in Lea County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Tres Papalotes-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

(w) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Triste Draw-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 34: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 30: E/2

(y) A new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production is hereby created and designated as the South Young-Grayburg Pool, consisting of the following described area:

Case No. 11737
Order No. R-10776
Page -11-

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 33: SE/4

(z) The Teague-Paddock Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

is hereby abolished.

(aa) The Teague-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

(bb) The vertical limits of the Teague-Blinebry Pool in Lea County, New Mexico, are hereby extended to include the Paddock formation and said pool is redesignated as the Teague-Paddock-Blinebry Pool.

(cc) The East Warren-Tubb Gas Pool in Lea County, New Mexico, is hereby reclassified as an oil pool and redesignated as the East Warren-Tubb Pool.

(dd) The North Allison-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMM
Section 17: SW/4

(ee) The East Bell Lake-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 34: NE/4

(ff) The Byers-Yates Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11737
Order No. R-10776
Page -12-

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 29: SW/4

(gg) The South Corbin-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 9: SE/4

(hh) The Crazy Horse-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 24: NE/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 18: SW/4

Section 19: NE/4

(ii) The South Crossroads-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM

Section 3: SW/4

Section 4: SE/4

(jj) The Diamondtail-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 12: N/2 and SW/4

Section 13: SW/4

Section 24: W/2

(kk) The Eunice-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 29: SW/4

Section 32: N/2

Section 33: W/2 NW/4

Case No. 11737
Order No. R-10776
Page -13-

(ll) The Fowler-Fusselman Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 15: SE/4

(mm) The Hat Mesa-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMM
Section 30: N/2

(nn) The Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 15: N/2

(oo) The Mid Justis-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 24: E/2
Section 25: N/2

(pp) The Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 24: SE/4

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 18: S/2
Section 19: W/2

(qq) The Northeast Lea-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 4: SW/4

Case No. 11737
Order No. R-10776
Page -14-

(rr) The Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 11: E/2 and SW/4

Section 12: SW/4

(ss) The West Lovington-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 1: Lots 11, 12, 13, and 14

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 6: Lots 3, 4, 5, and 6

(tt) The West Lynch-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 29: SW/4

Section 30: W/2 and SE/4

(uu) The Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 34: SE/4

(vv) The Monument-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 26: SW/4

Section 27: N/2

(ww) The North Monument-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 14: SE/4

Case No. 11737
Order No. R-10776
Page -15-

(xx) The Monument-Paddock Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 16: N/2

(yy) The North Paddock Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 2: Lots 11, 12, 13, and 14

(zz) The Penrose Skelly-Grayburg Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 22: N/2

(aaa) The Red Tank-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

(bbb) The East Red Tank-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

(ccc) The West Red Tank-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 13: SW/4
Section 27: NW/4
Section 36: NE/4

(ddd) The Teague-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11737
Order No. R-10776
Page -16-

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 28: NE/4

(eee) The Teague-Blaine Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 35: SW/4

(fff) The Tonto-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 11: SE/4

(ggg) The Triste Draw-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 34: SW/4

(hhh) The West Triste Draw-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 30 SW/4

(iii) The North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 19: N/2

(jjj) The Vacuum-Blaine Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 1: E/2

(kkk) The Vest Ranch-Upper Pennsylvanian Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11737
Order No. R-10776
Page -17-

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM

Section 16: W/2 SW/4

Section 21: NW/4

(III) The Warren-Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 27: SW/4

Section 28: NE/4

Section 34: NW/4

(mmm) The Weir-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 16: NW/4

(nnn) The Young-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 8: SW/4

(ooo) The South Young-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 32: SE/4

IT IS FURTHER ORDERED THAT:

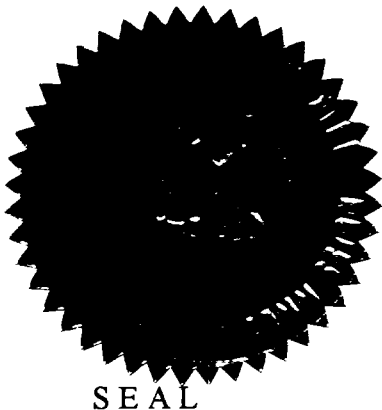
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said 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

Case No. 11737
Order No. R-10776
Page -18-

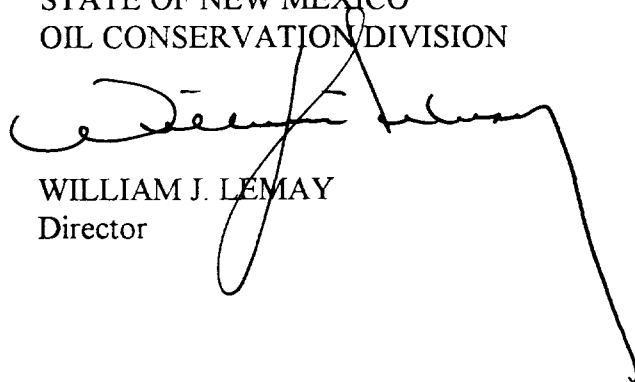
Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, abolishments, contractions, reclassifications, redesignations, and extensions of vertical and horizontal limits included herein shall be March 1, 1997.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

fd/ :