<u>CASE 12160</u>: In the matter of the hearing of the Oil Conservation Division for an order creating, abolishing, and extending certain pools in Eddy County, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Forty Niner Ridge-Bone Spring Pool. The discovery well is the Texaco Exploration and Production, Inc. Remuda Basin State Well No. 4 located in Unit N of Section 19, Township 23 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM Section 19: SW/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cisco Canyon production and designated as the Northwest Logan Draw-Cisco Canyon Pool. The discovery well is the Costilla Energy, Inc. Funk "49" Well No. 1 located in Unit L of Section 33, Township 16 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM Section 33: SW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Southeast Rocky Arroyo-Canyon Gas Pool. The discovery well is the Penwell Energy, Inc. Wagon Wheel Federal Unit Well No. 2 located in Unit N of Section 22, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM Section 22: S/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Northeast Springs-Strawn Gas Pool. The discovery well is the Yates Petroleum Corporation Spring "ART" Federal Com. Well No. 1 located in Unit O of Section 23, Township 20 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM Section 23: S/2

(e) ABOLISH the Dark Canyon-Pennsylvanian Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM Section 36: E/2 TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM Sections 30 through 32: All

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM Section 1: All

(f) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 10: All

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 1: Lots 9 through 16

(h) EXTEND the Cedar Canyon-Delaware Pool in Eddy County, New Mexico, to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM Section 23: N/2

(i) EXTEND the East Dark Canyon-Delaware Pool in Eddy County, New Mexico, to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM Section 30: NE/4

(j) EXTEND the East Empire-Yeso Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 29: NW/4

(k) EXTEND the Hackberry-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM Section 17: W/2

(1) EXTEND the Happy Valley-Delaware Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM Section 34: S/2 Section 35: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM Section 36: S/2

TOWNSHIP 20 ½ SOUTH, RANGE 21 EAST, NMPM Section 36: All

(n) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM Section 14: N/2 Section 22: NE/4

(o) EXTEND the Otis-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM Section 12: All

(p) EXTEND the Northeast Red Lake-Glorieta-Yeso Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM Section 34: S/2 Section 35: S/2

(q) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM Section 14: S/2

(r) EXTEND the Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM Section 30: W/2 (s) EXTEND the Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM Section 28: W/2

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