

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. 12242
Order No. R-11243

APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, ASSIGNING
A DISCOVERY ALLOWABLE, CONTRACTING AND
EXTENDING CERTAIN POOLS IN CHAVES, LEA,
AND ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 2, 1999, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 15th day of September, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, bearing the designation of Southwest Anderson Ranch-Wolfcamp Pool. Further, the discovery well for the Southwest Anderson Ranch-Wolfcamp Pool, the Nearburg Producing Company Rancho Verde 10 State Well No. 1 located in Unit L of Section 10, Township 16 South, Range 32 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 48,940 barrels of oil to be produced over a two-year period. The discovery well was completed in the Wolfcamp formation on July 1, 1999. The top of the perforations is at 9,806 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, bearing the designation of North Apache Spring-Abo Gas Pool. The North Apache Spring-Abo Gas Pool was discovered by the Primero Operating Inc. Apache Spring Federal Well No. 1 located in

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Unit F of Section 34, Township 10 South, Range 30 East, NMPM, which was completed in the Abo formation on September 16, 1998. The top of the perforations is at 7,590 feet.

(4) There is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of oil from the San Andres formation, bearing the designation of Northeast Bluit-San Andres Pool. The Northeast Bluit-San Andres Pool was discovered by the Manzano Oil Corporation Appaloosa Federal Well No. 1 located in Unit J of Section 35, Township 7 South, Range 37 East, NMPM, which was completed in the San Andres formation on November 10, 1998. The top of the perforations is at 4,433 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, bearing the designation of Cross Bough-Atoka Gas Pool. The Cross Bough-Atoka Gas Pool was discovered by the Reliance Operating Company Federal D Well No. 3 located in Unit O of Section 31, Township 9 South, Range 36 East, NMPM, which was completed in the Atoka formation on August 21, 1998. The top of the perforations is at 11,133 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, bearing the designation of Northeast Cruz-Delaware Pool. The Northeast Cruz-Delaware Pool was discovered by the Yates Petroleum Corporation Quay AQU State Well No. 1 located in Unit C of Section 10, Township 23 South, Range 33 East, NMPM, which was completed in the Delaware formation on May 27, 1997. The top of the perforations is at 8,865 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, bearing the designation of Southwest Diamondtail-Delaware Pool. The Southwest Diamondtail-Delaware Pool was discovered by the Concho Resources Inc. Tomcat 16 State Well No. 2 located in Unit M of Section 16, Township 23 South, Range 32 East, NMPM, which was completed in the Delaware formation on May 3, 1999. The top of the perforations is at 8,444 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, bearing the designation of East Dublin-Devonian Pool. The East Dublin-Devonian Pool was discovered by the Yates Petroleum Corporation Ed Powell Unit Well No. 2 located in Unit N of Section 7, Township 26 South, Range 38 East, NMPM, which was completed in the Devonian formation on August 18, 1997. The top of the perforations is at 10,010 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the San Andres formation, bearing the designation of West Eunice-San Andres Gas Pool. The West Eunice-San Andres Gas Pool was discovered by the Texaco E&P Inc. V M Henderson Well No. 16 located in Unit E of Section 30, Township 21 South, Range 37 East, NMPM, which was completed in the San Andres formation on January 2, 1998. The top of the perforations is at 4,035 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Abo formation, bearing the designation of Hightower-Abo Gas Pool. The Hightower-Abo Gas Pool was discovered by the Toco U.S. Tower

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Well No. 1 located in Unit N of Section 23, Township 12 South, Range 33 East, NMPM, which was completed in the Abo formation on February 11, 1999. The top of the perforations is at 8,400 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Canyon formation, bearing the designation of Kemnitz-Canyon Pool. The Kemnitz-Canyon Pool was discovered by the Kaiser Francis Oil Company TCH Ranch 6 Well No. 1 located in Unit X of Section 6, Township 16 South, Range 34 East, NMPM, which was completed in the Canyon formation on February 3, 1999. The top of the perforations is at 11,482 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, bearing the designation of Klein Ranch-Morrow Gas Pool. The Klein Ranch-Morrow Gas Pool was discovered by the Louis Dreyfus Natural Gas Toro 33 State Well No. 1 located in Unit G of Section 33, Township 19 South, Range 35 East, NMPM, which was completed in the Morrow formation on February 24, 1999. The top of the perforations is at 12,864 feet.

(13) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, bearing the designation of North Shoe Bar-Morrow Gas Pool. The North Shoe Bar-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Field APK State Com Well No. 3 located in Unit K of Section 2, Township 16 South, Range 35 East, NMPM, which was completed in the Morrow formation on February 18, 1999. The top of the perforations is at 12,301 feet.

(14) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Glorieta formation, bearing the designation of Teague-Glorieta Gas Pool. The Teague-Glorieta Gas Pool was discovered by the Arch Petroleum, Inc. C E Lamunyon Well No. 41 located in Unit M of Section 21, Township 23 South, Range 37 East, NMPM, which was completed in the Glorieta formation on April 1, 1998. The top of the perforations is at 5,052 feet.

(15) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, bearing the designation of Teas-Delaware Pool. The Teas-Delaware Pool was discovered by the Shackelford Oil Company Tonto Federal Well No. 1 located in Unit H of Section 10, Township 20 South, Range 33 East, NMPM, which was completed in the Delaware formation on February 12, 1998. The top of the perforations is at 6,524 feet.

(16) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Wolfcamp formation, bearing the designation of Vest Ranch-Wolfcamp Pool. The Vest Ranch-Wolfcamp Pool was discovered by the Manzano Oil Corporation S V Vest State Well No. 1 located in Unit N of Section 16, Township 14 South, Range 30 East, NMPM, which was completed in the Wolfcamp formation on May 8, 1999. The top of the perforations is at 7,888 feet.

(17) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Bone Spring formation, bearing the designation of South Wilson-Bone Spring Gas Pool. The South Wilson-Bone Spring Gas Pool was

discovered by the V-F Petroleum Inc. Merchants A Well No. 1 located in Unit L of Section 30, Township 21 South, Range 35 East, NMPM, which was completed in the Bone Spring formation on January 15, 1999. The top of the perforations is at 8 422 feet.

(18) There is need for the contraction of the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, in order to correct nomenclature.

(19) There is need for the contraction of the North Monument-Abo Pool in Lea County, New Mexico, in order to place the deleted acreage in the Monument-Abo Pool.

(20) There is need for certain extensions to the West Anderson Ranch-Wolfcamp Pool, the Antelope Ridge-Morrow Gas Pool, the Baish-Wolfcamp Pool, the East Bell Lake-Delaware Pool, the South Big Dog-Strawn Pool, the West Billbrey-Atoka Gas Pool, the Blinebry Oil and Gas Pool, the West Casey-Strawn Pool, the Diamond-Strawn Pool, the Diamondtail-Delaware Pool, the Eumont-Yates-Seven Rivers Pool, the South Eunice-San Andres Pool, the Southwest Eunice-San Andres Pool, the Gem-Morrow Gas Pool, the East Gem-Morrow Gas Pool, the East Grama Ridge-Strawn Gas Pool, the Hat Mesa-Delaware Pool, the Johnson Ranch-Wolfcamp Gas Pool, the Southeast Lane-Abo Pool, the Lovington-Drinkard Pool, the McCormack-Silurian Pool, the Monument-Abo Pool, the North Monument-Abo Pool, the Southeast Monument-Abo Pool, the Monument-Tubb Pool, the Oil Center-Blinebry Pool, the West Ojo Chiso-Morrow Gas Pool, the Red Tank-Bone Spring Pool, the East Saunders-Permo Pennsylvanian Pool, the Southeast Scharb-Wolfcamp Pool, the North Shoe Bar-Atoka Pool, the Tatum-Upper Pennsylvanian Pool, the Vacuum-Atoka Pool, the North Vacuum-Atoka-Morrow Gas Pool, the South Vacuum-Bone Spring Pool, the Vacuum-Upper Pennsylvanian Pool, and the Vacuum-Yates Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 10: SW/4

Further, the discovery well for the Southwest Anderson Ranch-Wolfcamp Pool, the Nearburg Producing Company Rancho Verde 10 State Well No. 1 located in Unit L of Section 10, Township 16 South, Range 32 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 48,940 barrels of oil to be produced over a two-year period.

(b) A new pool in Chaves County, New Mexico, classified as a gas pool for Abo production is hereby created and designated as the North Apache Spring-Abo Gas Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 30 EAST, NMPM
Section 34: NW/4

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

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 31: 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 Northeast Cruz-Delaware Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 10: 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 Southwest Diamondtail-Delaware Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 16: SW/4
Section 21: 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 East Dublin-Devonian Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM
Section 7: SE/4 SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 30: NW/4

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 23: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 6: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 33: N/2

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 2: Lots 11, 12, 13, 14 and SW/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 21: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 10: NE/4

(o) A new pool in Chaves County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Vest Ranch-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 16: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 30: SW/4

(q) The Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 1: SW/4
Section 9: SE/4
Section 10: S/2 NE/4 and S/2
Section 12: W/2
Section 13: W/2 NW/4
Section 14: E/2
Section 15: N/2 NE/4, NW/4 and S/2
Section 23: S/2 NW/4

(r) The West Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 9: E/2 NW/4, E/2 SW/4 and W/2 SE/4

(s) The North Monument-Abo Pool in Lea County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 23: SW/4 SE/4

(t) The Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 23: SW/4 SE/4

(u) The Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 3: NW/4
Section 4: N/2

(v) The Baish-Wolfcamp Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 15: NE/4

(w) The East Bell Lake-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

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TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 28: NE/4

(x) The South Big Dog-Strawn Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 2: SE/4
Section 11: NE/4

(y) The West Bilbrey-Atoka Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 31: SE/4
Section 32: W/2

(z) The Blinebry Oil and Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

(aa) The West Casey-Strawn Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 28: S/2 SW/4

(bb) The Diamond-Strawn Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 15: N/2 SW/4

(cc) The Diamondtail-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 14: SW/4
Section 15: SE/4
Section 22: E/2

(dd) The Eumont-Yates-Seven Rivers Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 17: SW/4

Section 18: SE/4

Section 19: NE/4

(ee) The South Eunice-San Andres Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 11: SE/4

(ff) The Southwest Eunice-San Andres Pool in Lea County, New Mexico,, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 8: NW/4

(gg) The Gem-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 21: S/2

(hh) The East Gem-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 3: N/2

(ii) The East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 1: SW/4

Section 12: W/2

(jj) The Hat Mesa-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 30: SW/4

(kk) The Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 34: S/2

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TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 3: NE/4

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 1: N/2

Section 2: N/2 and SW/4

Section 3: All

(ll) The Southeast Lane-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 10: SW/4

(mm) The Lovington-Drinkard Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 1: NE/4 and S/2

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 6: N/2

(nn) The McCormack-Silurian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 29: NE/4

(oo) The North Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 1: SE/4

(pp) The Southeast Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 8: N/2

Section 9: SE/4

Section 17: NE/4

(qq) The Monument-Tubb Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 35: SW/4

(rr) The Oil Center-Blinebry Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 32: SE/4

(ss) The West Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 20: SW/4

(tt) The Red Tank-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 12: E/2 and SW/4
Section 13: NW/4

(uu) The East Saunders-Permo Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 16: NE/4

(vv) The Southeast Scharb-Wolfcamp Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 21: NE/4

(ww) The North Shoe Bar-Atoka Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 2: Lots 9, 10, 15, 16 and SE/4

(xx) The Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM
Section 5: SW/4

(yy) The Vacuum-Atoka Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 6: NW/4

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(zz) The North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 32: W/2

(aaa) The South Vacuum-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 26: S/2
Section 35: NE/4

(bbb) The Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 6: NW/4

(ccc) The Vacuum-Yates Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: W/2

IT IS FURTHER ORDERED THAT:

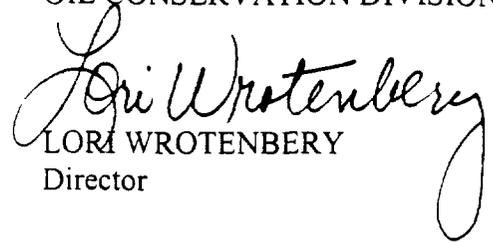
(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 Division within that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, contractions, assignments of discovery allowables, and extensions included herein shall be October 1, 1999.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL