

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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EXHIBIT #1

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

CASE NO. 10408
ORDER NO. A-9609

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. October 31 1991,
at Santa Fe, New Mexico, before Examiner Michael E. Stagner.

NOW, on this _____ day of October, 1991, the Division
Director, having considered the testimony, the record, 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 subject
matter thereof.
- (2) There is need for the creation of a new pool in Eddy
County, New Mexico, for the production of oil from the
Canyon formation. Said pool to bear the designation of
Parkway-Upper Penn Pool. Said Parkway-Upper Penn Pool
was discovered by Yates Petroleum Corp., Wayfarer AIY
St. #1, Located in Unit P of Section 25, Township 19
South, Range 29 East, NMPM. It was completed on June
23, 1991 in the Canyon formation. The top of
perforations is at 10,387 ft.
- (3) There is need for the creation of a new pool in Eddy
County, New Mexico, for the production of gas from the
Wolfcamp formation. Said pool to bear the designation
of North Ross Ranch-Wolfcamp Gas Pool. Said North Ross
Ranch-Wolfcamp Gas Pool was discovered by M. Brad
Bennett Inc., Big Sinks Fed. Com. #1, located in Unit B
of Section 35, Township 25 South, Range 31 East, NMPM.
It was completed on June 9, 1991, in the Wolfcamp
formation. The top of perforations is at 13,140 ft.

- (4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation. Said pool to bear the designation of Russell-Delaware Pool. Said Russell-Delaware Pool was discovered by Siete Oil & Gas Corp., Indigo Fed. #1 located in Unit L of Section 13, Township 20 South, Range 28 East, NMPM. It was completed on February 4, 1991 in the Delaware formation. The top of perforations is at 5,009 ft.
- (5) There is need for certain extensions to the East Chisum-San Andres Pool and the Diablo-San Andres Pool, both in Chaves County, New Mexico and to the East Burton Flat-Atoka Gas Pool, East Burton Flat-Strawn Gas Pool, West Burton Flat-Atoka Gas Pool, South Carlsbad-Morrow Gas Pool, East Catclaw Draw-Delaware Pool, East Hess-Morrow Gas Pool, Livingston Ridge-Delaware Pool, East Loving-Delaware Pool, Mosley Canyon-Strawn Gas Pool, Old Millman Ranch-Bone Spring Pool, Rustler Bluff-Morrow Gas Pool, and the West Sand Dunes-Atoka Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED:

- (a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Canyon production and designated as the Parkway-Upper Penn Pool. The discovery well is the Yates Pet. Corp., Wayfarer AIY St. #1 located in Unit P of Section 25, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

Township 19 South, Range 29 East, NMPM.
Section 25: SE/4

- (b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Ross Ranch-Wolfcamp Gas Pool. The discovery well is the M. Brad Bennett Inc., Big Sinks Fed Com #1 located in Unit B of Section 35, Township 25 South, Range 31 East, NMPM. Said pool would comprise:

Township 25, South, Range 31 East, NMPM.
Section 35: N/2

- (c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Russell-Delaware Pool. The discovery well is the Siete Oil & Gas Corp., Indigo Fed. #1 located in Unit L of Section 13, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

Township 20 South, Range 28 East, NMPM.
Section 13: SW/4

- (d) Extend the East Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM.
Section 28: E/2
Section 21: S/2

- (e) Extend the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM.
Section 12: E/2

- (f) Extend the West Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 28 East, NMPM.
Section 32: W/2

- (g) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 27 East, NMPM.
Section 34: W/2

- (h) Extend the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 21 South, Range 26 East, NMPM.
Section 9: NE/2

- (i) Extend the Cedar Lake-Strawn Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East, NMPM.
Section 2: NW/4

- (j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

Township 11 South, Range 28 East, NMPM.
Section 15: NW/4
~~Section 31: NE/4~~

- (k) Extend the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

Township 10 South, Range 27, East, NMPM.
Section 34: N/2 and SE/4

- (l) Extend the East Hess-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 23 East, NMPM.
Section 27: E/2

- (m) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 31 East, NMPM.
Section 12: SW/4
Section 26: NW/4

- (n) Extend the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 28 East, NMPM.
Section 2: SW/4

- (o) Extend the North Malaga-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 28 East, NMPM.
Section 2: NW/4

- (p) Extend the Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 25 East, NMPM.
Section 17: S/2

- (q) Extend the Old Millman Ranch-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 28 East, NMPM.
Section 8: NE/4
Section 5: SE/4

- (r) Extend the Rustler Bluff- Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 25 South, Range 29 East, NMPM.
Section 8: N/2
~~Section 22: SW/4~~

- (s) Extend the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 31 East, NMPM.
Section 8: S/2

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

(2) The effective date of this order and all creations and extensions included herein shall be _____.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director