

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Exhibit
#1

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CONTRACTING THE HORIZONTAL LIMITS OF CERTAIN
POOL(S) IN CHAVES COUNTY, AND EXTENDING THE
HORIZONTAL LIMITS OF CERTAIN POOLS IN CHAVES
AND EDDY COUNTIES, NEW MEXICO

CASE NO. 8671

ORDER NO. A-7997

ORDER OF THE DIVISION

BY THE DIVISION:

THIS CAUSE CAME ON FOR HEARING AT _____ AM, _____, 1985,
AT SANTA FE, NEW MEXICO, BEFORE EXAMINER _____.

NOW, on this _____ day of August, 1985, the Division Director
having considered the testimony, the record, the recommendations of the examiner,
and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and subject matter thereof.
- (2) That there is need for the contraction of the horizontal limits of the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico.
- (3) That there is need for extension of the Diamond Mound-Atoka/Morrow Gas Pool in Chaves County, New Mexico, and the Artesia-Queen/Grayburg/San Andres Pool, Carlsbad-Strawn Gas, North Hackberry-Yates/Seven Rivers Pool, East Indian Draw-Delaware Pool, Red Bluff-Delaware Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED:

- (a) Contract the horizontal limits of the Buffalo Valley-Penn Gas Pool in Chaves County, New Mexico, by the deletion of the following acreage;

TO BE
DISMISSED

Township 15 South, Range 27 East NMEM
Section 36: All

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- (b) Extend the Artesia-Queen/Grayburg/San Andres Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 28 East NMPM
Section 6: S/2
Section 7: N/2

- (c) Extend the Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 27 East NMPM
Section 22: All
Section 26: All
Section 27: All

- (d) Extend the Diamond Mound-Atoka/Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TO BE
DISMISSED

Township 15 South, Range 27 East NMPM
Section 36: All

- (e) Extend the North Hackberry-Yates/Seven Rivers Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 31 East NMPM
Section 20: NE/4

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

Township 22 South, Range 28 East NMPM
Section 10: SW/4

- (g) Extend the Red Bluff-Delaware Gas Pool in Eddy County, New Mexico, to include therein:

Township 26 South, Range 28 East NMPM
Section 2: All
Section 3: S/2

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IT IS FURTHER ORDERED:

(1) That 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 the allowable.

(2) That the effective date of this order and all contractions, and extensions, included therein shall be _____, 1985.

DONE AT SANTA FE, NEW MEXICO, ON THE DAY AND YEAR HEREINABOVE DESIGNATED.

State of New Mexico
Oil Conservation Division

Richard L. Stamets

S E A L