

CASE NO. 8861

EXHIBIT I

CASE 8861: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea County, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the South Cass-Strawn Pool. The discovery well is the Conoco Inc. State 35 Well No. 1 located in Unit P of Section 20, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

35

Note
Correction

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Lower Wolfcamp production and designated as the EK-Wolfcamp Pool. The discovery well is the Manzano Oil Corporation Airstrip Northwest Deep Unit Well No. 1 located in Section 20, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 20: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Laguna Valley-Morrow Gas Pool. The discovery well is the Chama Petroleum Company Rett Federal Com Well No. 1-Y located in Unit P of Section 23, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Tonto-Bone Spring Pool. The discovery well is the Spectrum 7 Exploration Company Federal 12 Well No. 1 located in Unit G of Section 12, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

(e) EXTEND the Cline Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 12: S/2

(f) EXTEND the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

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

(g) EXTEND the Hardy-Drinkard Pool in Lea County, New Mexico to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 3: SE/4

(h) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

(i) EXTEND the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 22: W/2

(j) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4
Section 10: S/2

(k) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 25: NE/4

(l) EXTEND the Mescalero-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 33: N/2

(m) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 11: SW/4

(n) EXTEND the East Saunders-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

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

(o) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 3: Lots 9, 10, 15, and 16

NEW POOLS

It is recommended that a new Oil pool be created and designated as the SOUTH CASS-STRAWN Pool.

Vertical limits to be the Strawn formation and the horizontal limits should be as follows: AS Shown in Paragraph (A) Exhibit I

Discovery well was Conoco Inc. State 35 #1 located in Unit P Section 35 Township 20 Range 37 and was completed on November 15, 1984. Top of perforations is at 7619 feet.

It is recommended that a new Oil pool be created and designated as the EK-Wolfcamp Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: As Shown in Paragraph (B) Exhibit I

Discovery well was Manzano Oil Corp. Airstrip Deep Unit #1 located in Unit B Section 20 Township 18 Range 34 and was completed on December 31, 1985. Top of perforations is at 11,420 feet.

It is recommended that a new Gas pool be created and designated as the Laguna Valley-Morrow Pool.

Vertical limits to be the Morrow formation and the horizontal limits should be as follows: As shown in Paragraph (C) Exhibit I

Discovery well was Chama Petroleum Company Rett Federal Com #1-Y located in Unit P Section 23 Township 20 Range 34 and was completed on August 18, 1985. Top of perforations is at 13,041 feet.

NEW POOLS

It is recommended that a new Oil pool be created and designated as the West Tonto-Bone Spring Pool.

Vertical limits to be the Bone Spring formation and the horizontal limits should be as follows: As Shown in Paragraph (D) Exhibit I

Discovery well was Spectrum 7 Exploration Company Federal 12 #1 located in Unit G Section 12 Township 19 Range 32 and was completed on October 25, 1985. Top of perforations is at 8795 feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____. Top of perforations is at _____ feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____. Top of perforations is at _____ feet.

COUNTY LEA

POOL SOUTH CASS-STRAWN

TOWNSHIP 20 South

RANGE 37 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Conoco Inc. State 35 #1-P in Sec. 35, T20S, R37E,

completed November 15, 1984 in the Strawn formation. Top perforations at 7619 feet.

Proposed Pool boundary outlined in red. Section 35: SE/4

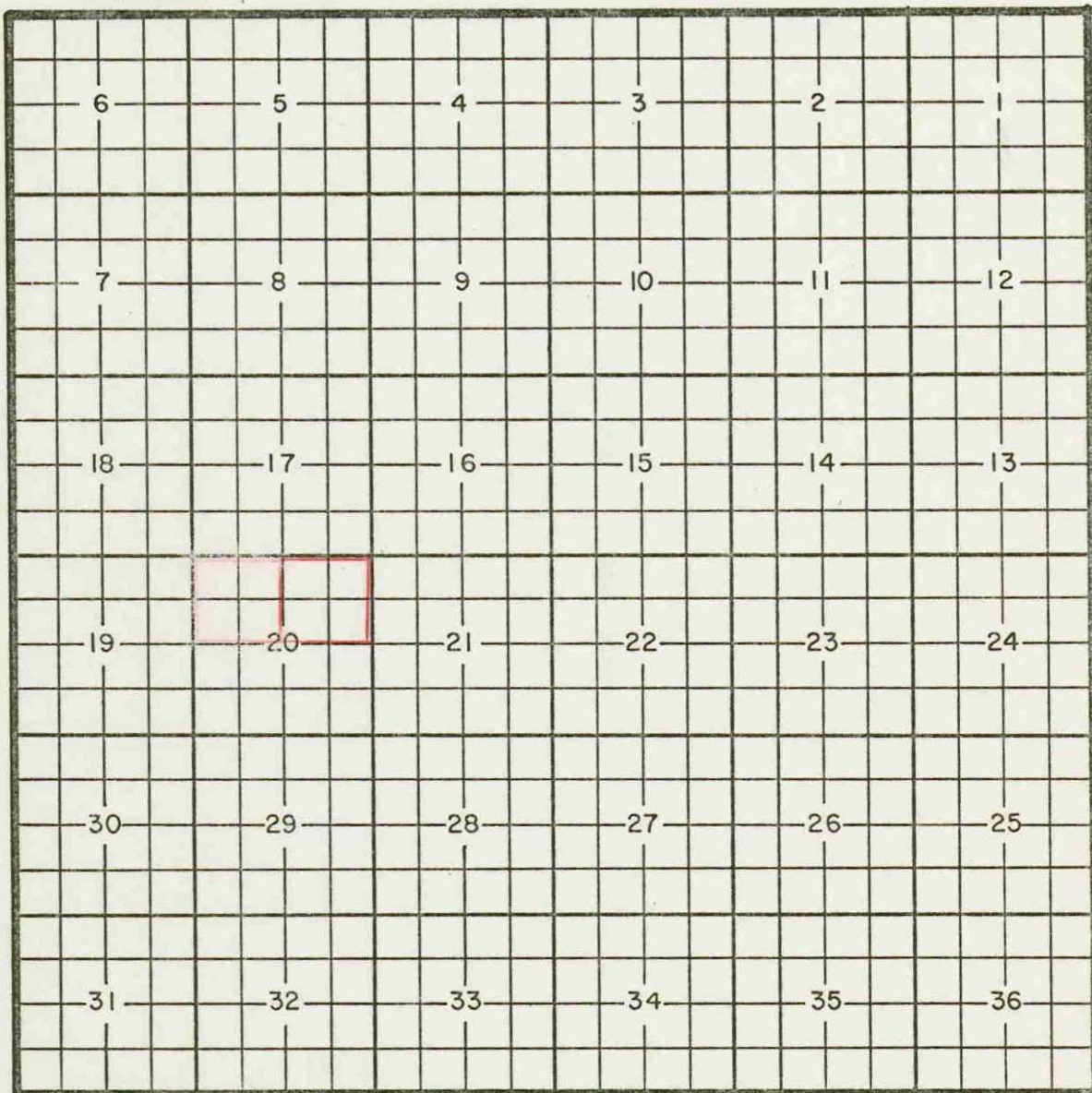
COUNTY LEA

POOL EK-WOLFCAMP

TOWNSHIP 18 South

RANGE 34 East

NMPM



PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Manzano Oil Corporation Airstrip Northwest Deep Unit

Well No. 1-B in Sec. 20, T18S, R34E, completed December 31, 1985, in

the Lower Wolfcamp formation. The top of the perforations is at 11,420 ft.

Proposed Pool boundary outlined in red. Section 20: NE/4

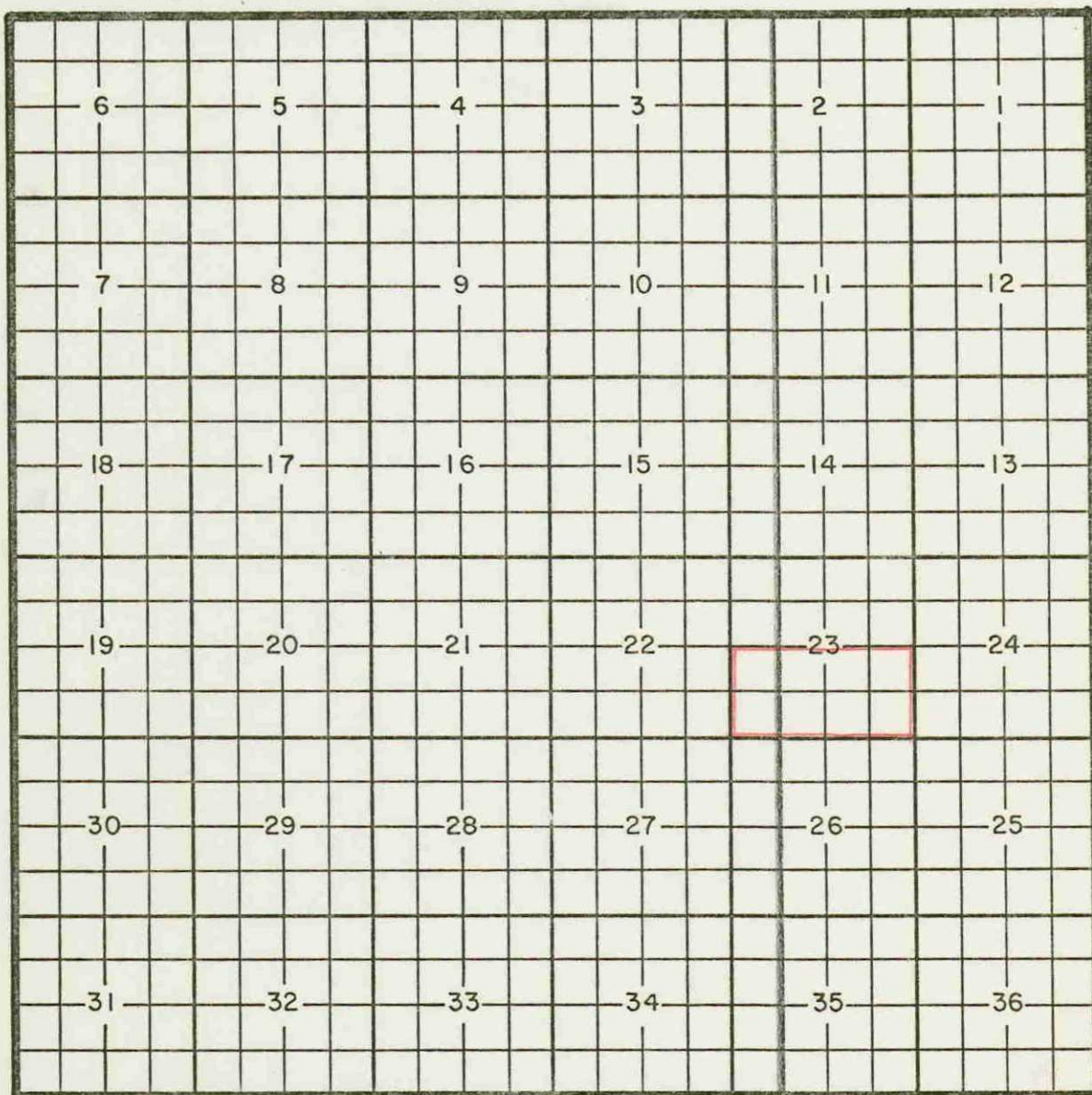
COUNTY LEA

POOL LAGUNA VALLEY-MORROW GAS

TOWNSHIP 20 South

RANGE 34 East

NMPM



PURPOSE: One completed gas well capable of producing.

DISCOVERY WELL: Chama Petroleum Company Rett Federal Com Well No. 1Y-P

in Sec.23, T20S, R34E, completed August 18, 1985, in the Morrow formation.

The top of the perforations is at 13,041 feet.

Proposed Pool boundary outlined in red. Section 23: S/2

COUNTY LEA POOL WEST TONTO-BONE SPRING

TOWNSHIP 19 South RANGE 32 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Spectrum 7 Exploration Company Federal 12 Well #1-G in Sec. 12, T19S, R32E, completed October 25, 1985 in the Bone Spring formation. The top of the perforations is at 8795 feet.

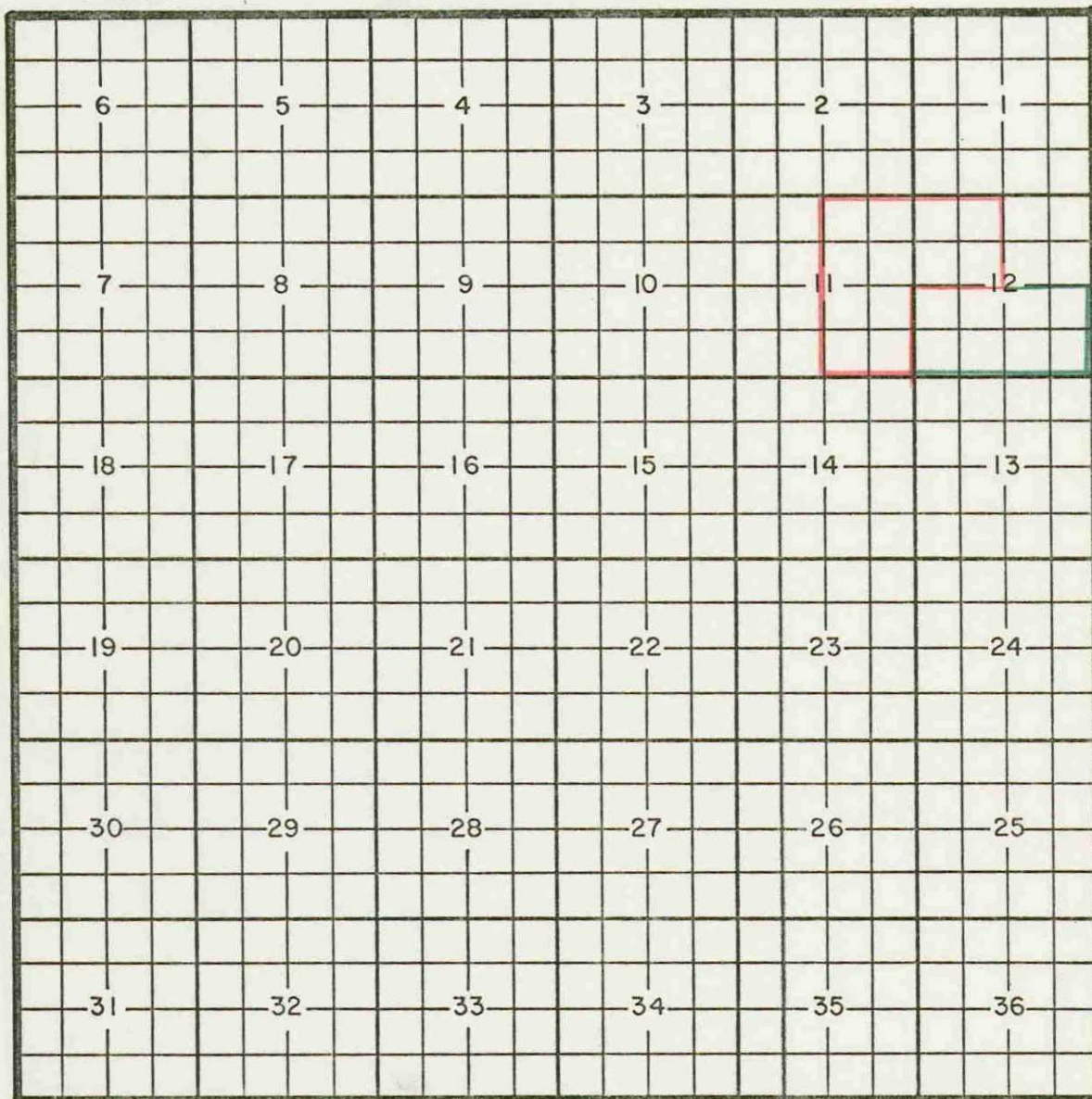
Proposed Pool boundary outlined in red. Section 12: NE/4

COUNTY LEA

POOL CLINE-DRINKARD ABO

TOWNSHIP 23 South RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Elk Oil Company Phillips Federal Well #1-J in Sec. 12, T23S, R37E, completed January 20, 1986, in the Abo formation. The top of the perforations is at 7298 feet.

Pool boundary outlined in red.

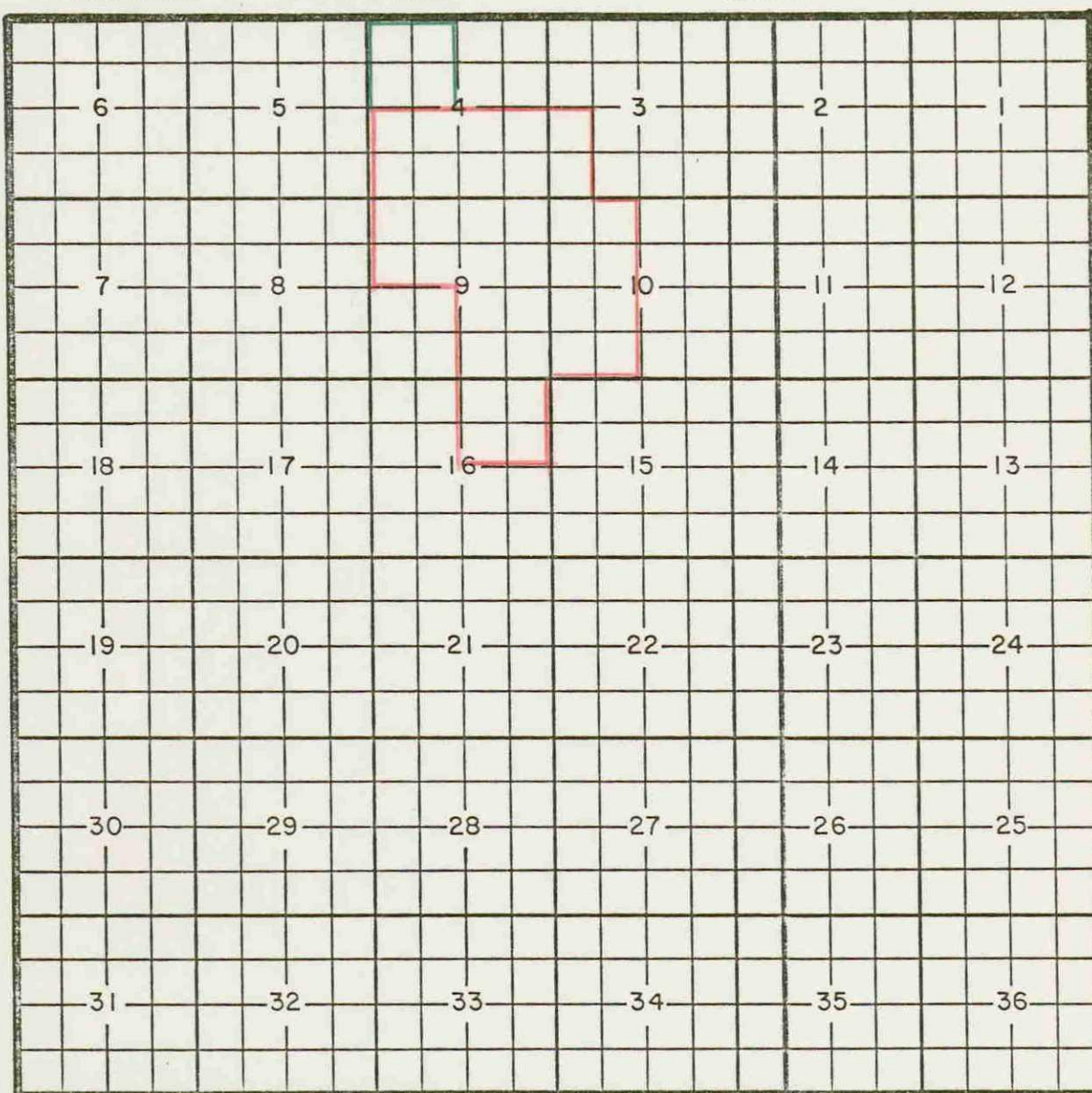
Proposed pool boundary extension outlined in green. Section 12: S/2

COUNTY LEA

POOL CENTRAL CORBIN-QUEEN

TOWNSHIP 18 South RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Cities Service Oil & Gas Corporation Federal AE Well #8-F in Sec. 4,

T18 S, R33E. completed December 30, 1985, in the Queen formation. The top of the perforations is at 4151 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 4: NW/4

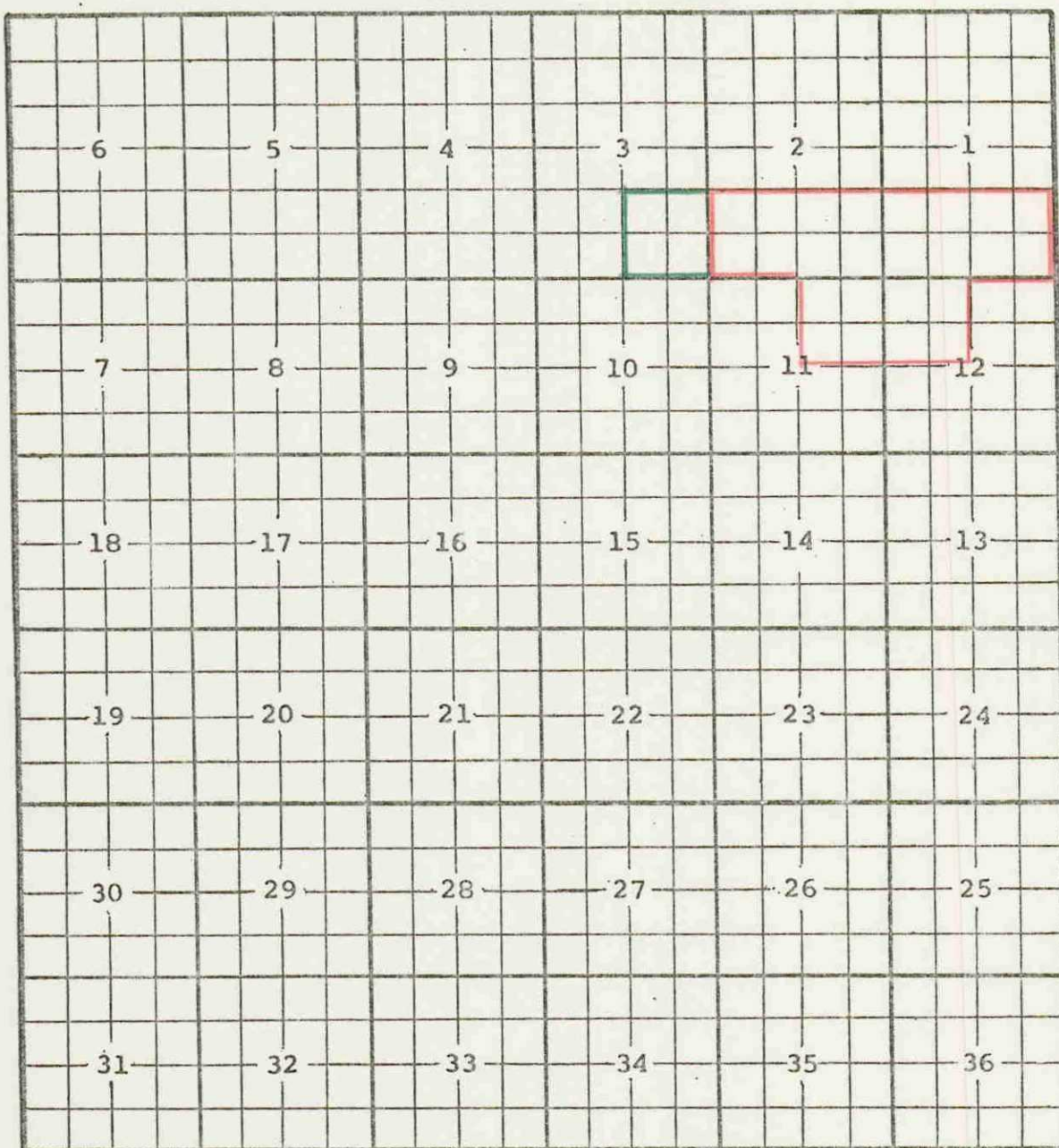
COUNTY LEA

POOL HARDY-DRINKARD

TOWNSHIP 21 South

RANGE 36 East

NMFM



PURPOSE: One completed oil well capable of producing.

Sun Exploration & Production Company J. A. Akens #12-X, in Sec. 3, T21S, R36E, completed January 9, 1986, in the Drinkard formation. The top of the perforations is at 6740 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 3: SE/4

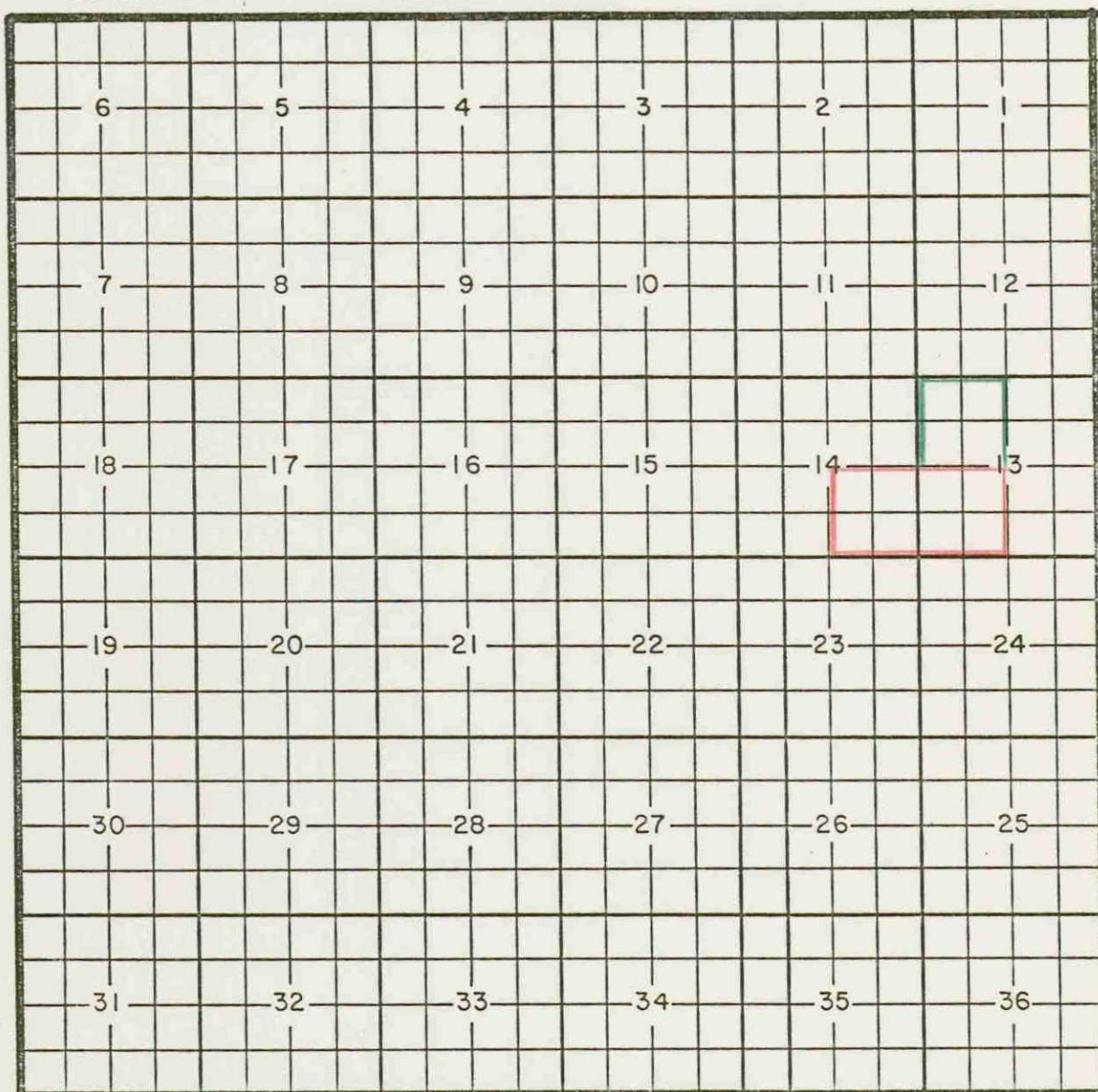
COUNTY LEA

POOL SOUTH HUMBLE CITY-STRAWN

TOWNSHIP 17 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Inexco Oil Company Ashland Exploration #1-E, in Sec. 13, T17S, R37E,

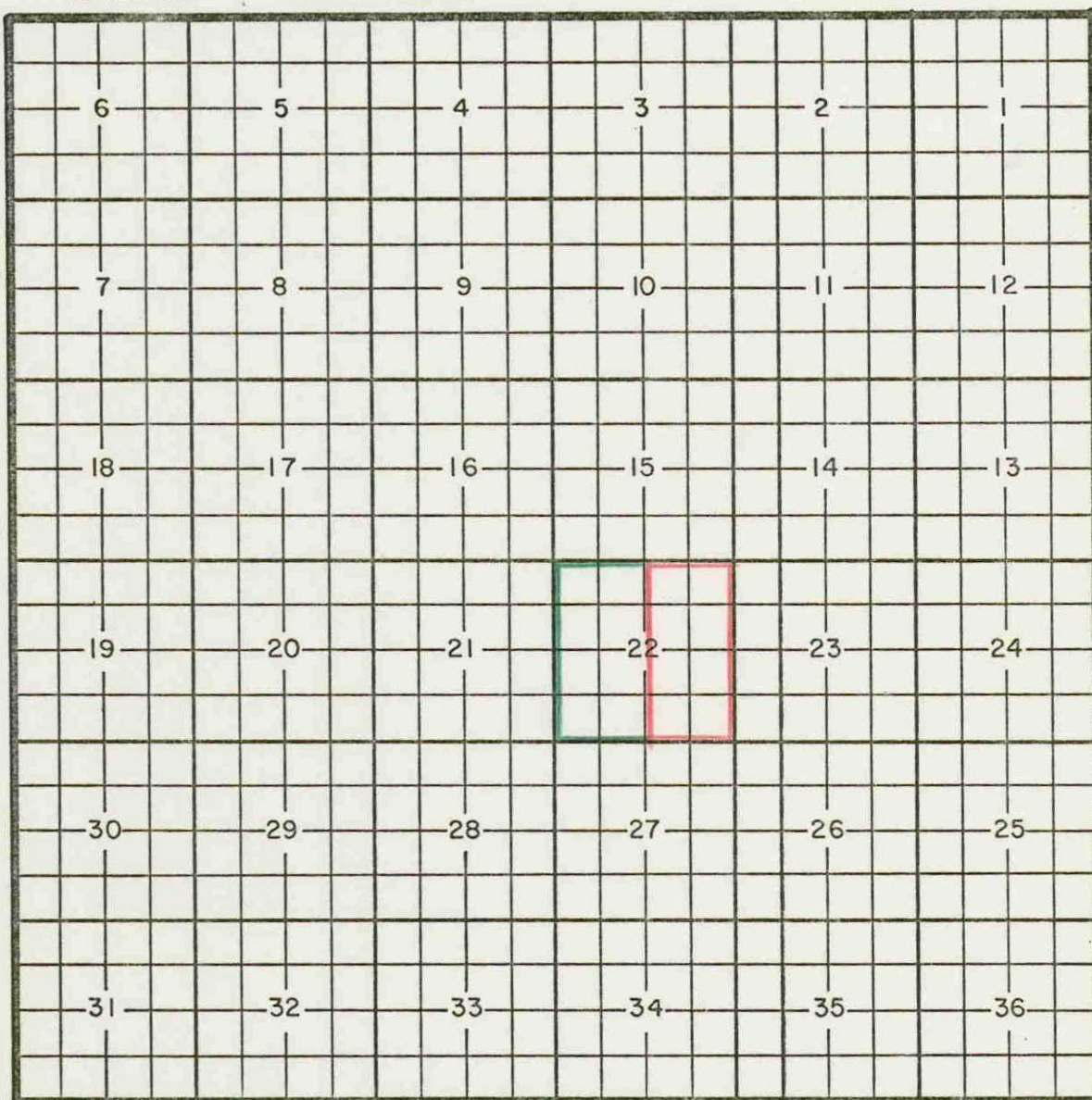
completed December 28, 1985, in the Strawn formation. The top of the perforations is at 11,511 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: NW/4

COUNTY LEA POOL JOHNSON RANCH-WOLFCAMP GAS

TOWNSHIP 24 South RANGE 33 East NMPM



PURPOSE: One completed gas well capable of producing.
Southland Royalty Company Madera Ridge 22 State #1-0, in Sec. 22,
T24S, R33E, completed January 8, 1986, in the Wolfcamp formation.
The top of the perforations is at 13,282 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 22: W/2

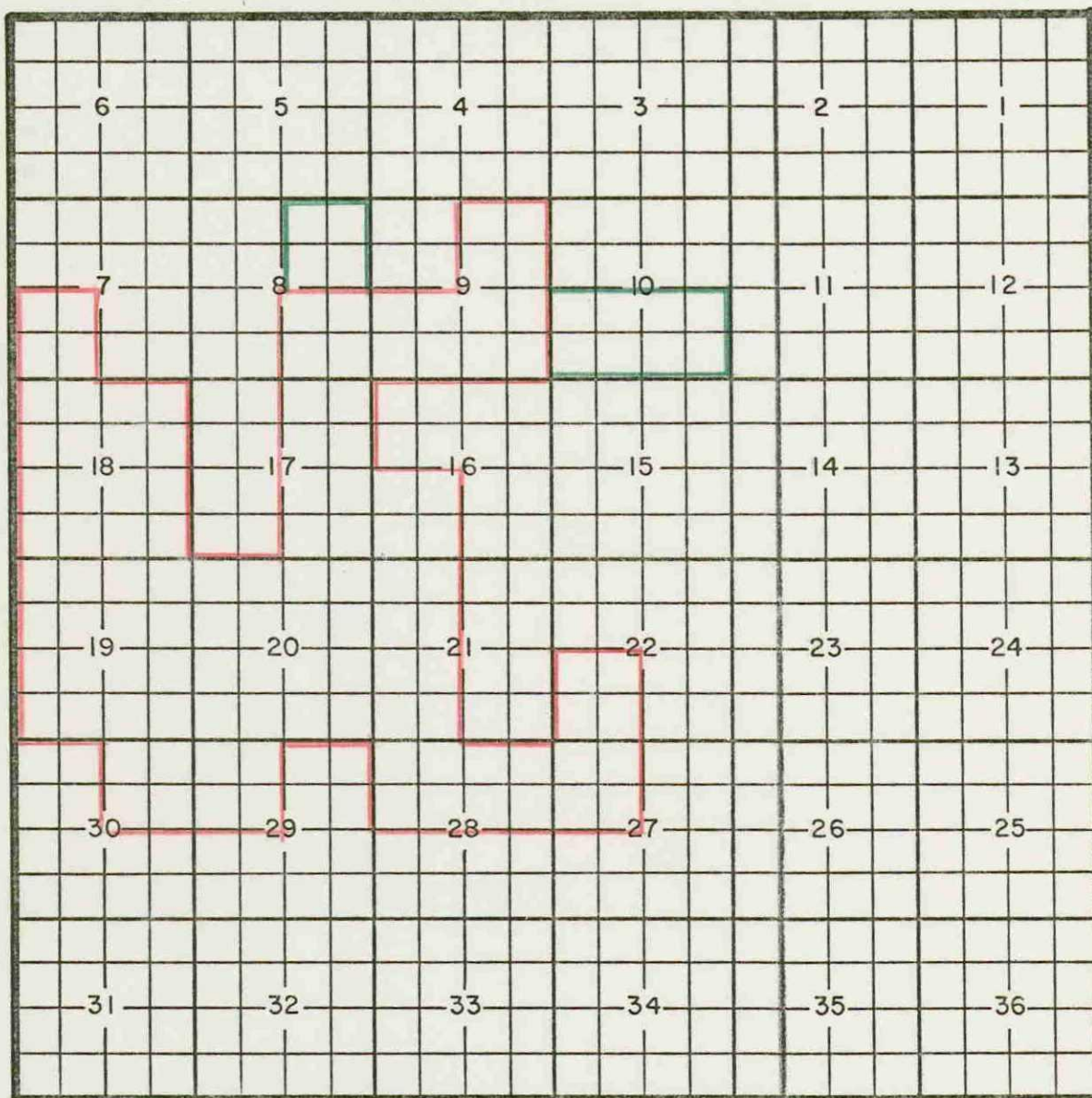
COUNTY LEA

POOL NORTHEAST LOVINGTON PENNSYLVANIAN

TOWNSHIP 16 South

RANGE 37 East

NMPM



PURPOSE: Two completed oil wells capable of producing.

Amerada Hess Corporation Homestake Royalty 10 #1-J, in Sec. 10, T16S, R37E, completed January 20, 1986, in the Pennsylvanian formation. The top of the perforations is at 11,598 feet.

Yates Petroleum Corporation Hummingbird ADM Well #1-G, in Sec. 6, T16S, R37E, completed January 4, 1986, in the Strawn formation. The top of the perforations is at 11,524 feet.

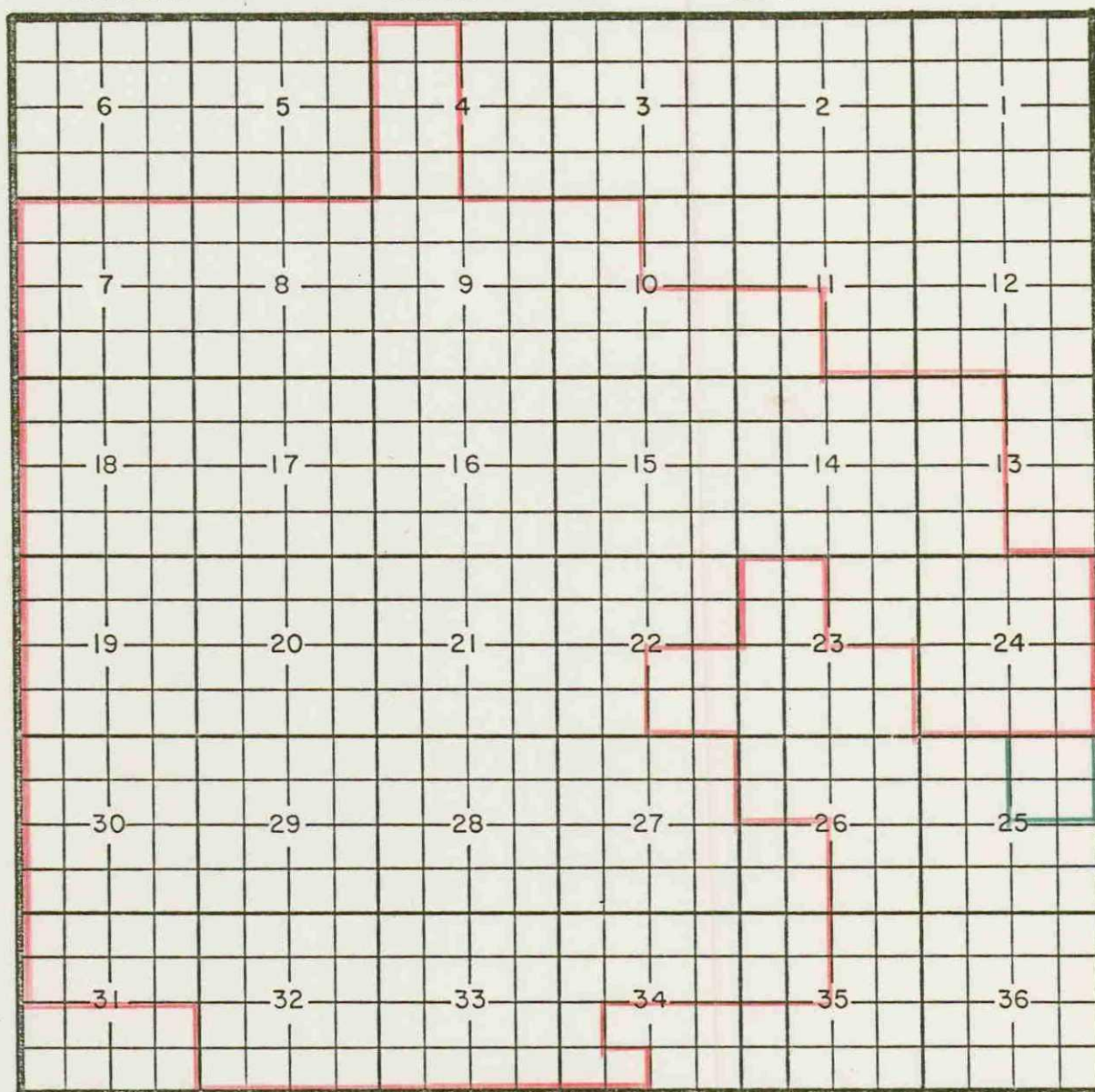
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 8: NE/4

Section 10: S/2

COUNTY LEA POOL MALJAMAR-GRAYBURG SAN ANDRES

TOWNSHIP 17 South RANGE 33 East NMPM



PURPOSE: Two completed oil wells capable of producing.

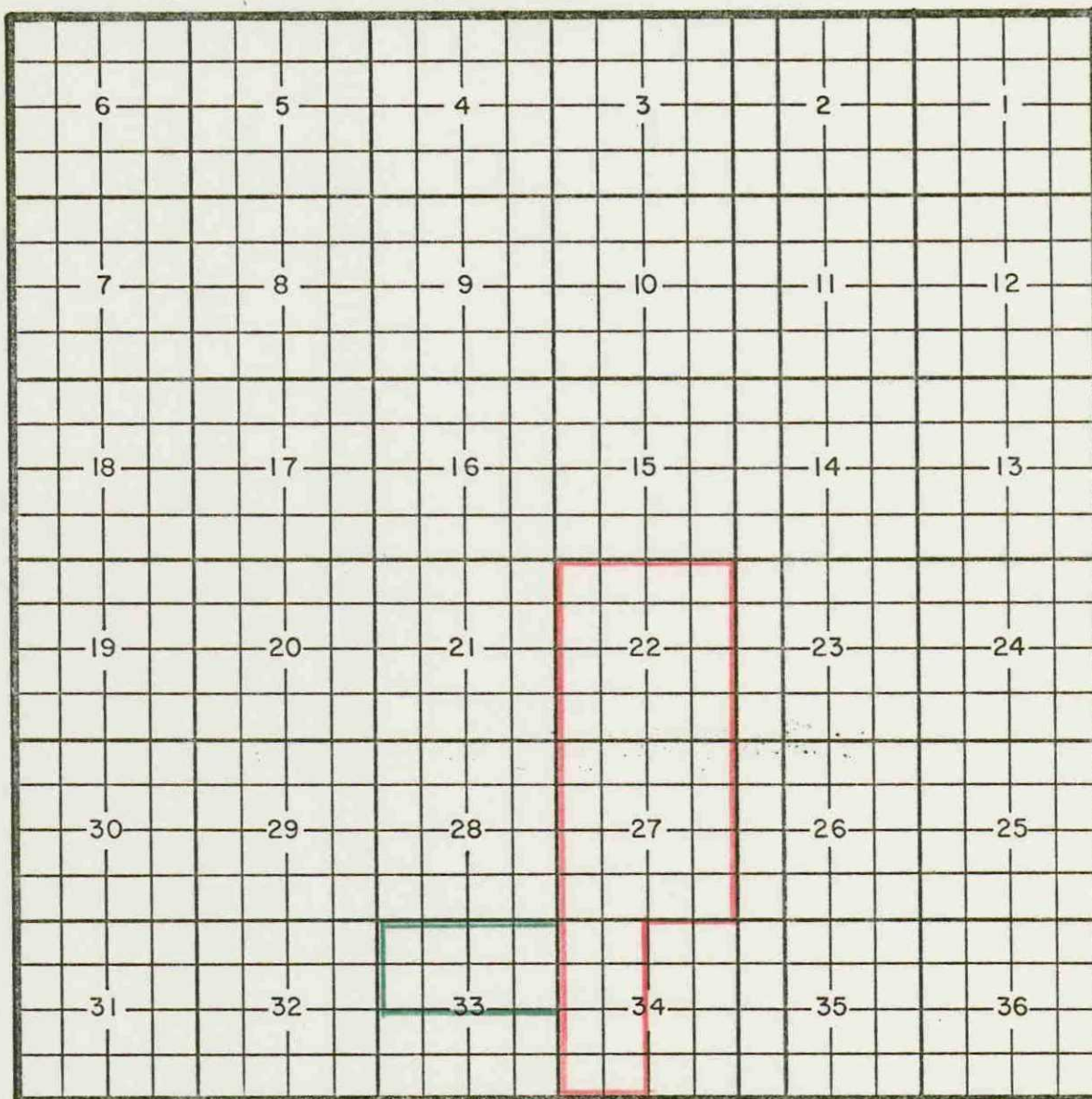
Phillips Petroleum Company Leamex Well #37-B, in Sec. 25, T17S, R33E, completed January 10, 1986, in the Grayburg San Andres formation. The top of the perforations is at 4354 feet. Phillips Petroleum Company Leamex Well #38-H, in Sec. 25, T17S, R33E, completed January 10, 1986, in the Grayburg San Andres formation. The top of the perforations is at 4455 ft.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 25: NE/4

COUNTY LEA POOL MESCALERO-PERMO PENNSYLVANIAN

TOWNSHIP 10 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

Dwight A. Tipton State DX Well #1-F, in Sec. 33, T10S, R32E, completed January 11, 1986, in the Permo Pennsylvanian foramtion. The top of the perforations is at 8752 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 33: N/2

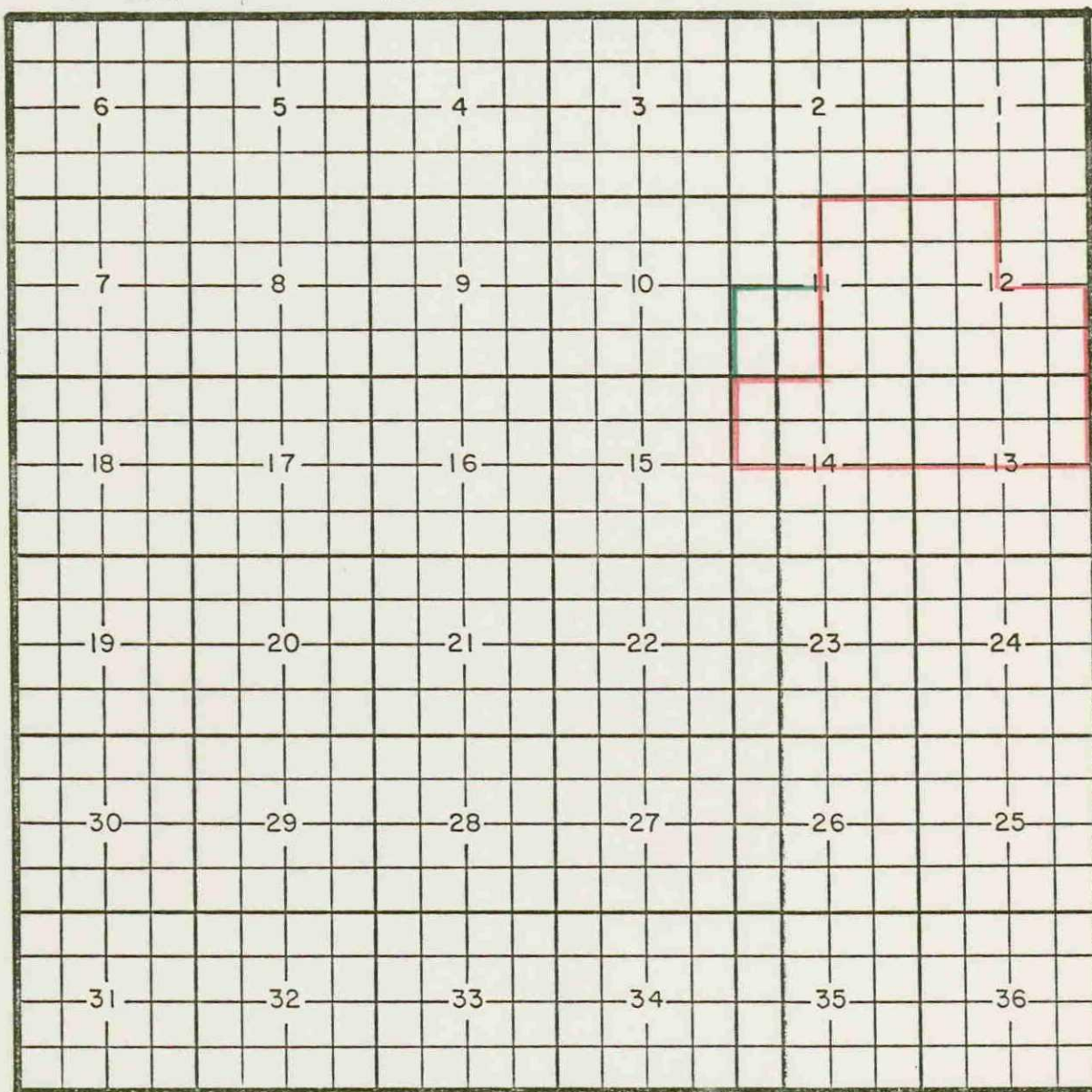
COUNTY LEA

POOL MESCALERO ESCARPE-BONE SPRING

TOWNSHIP 18 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

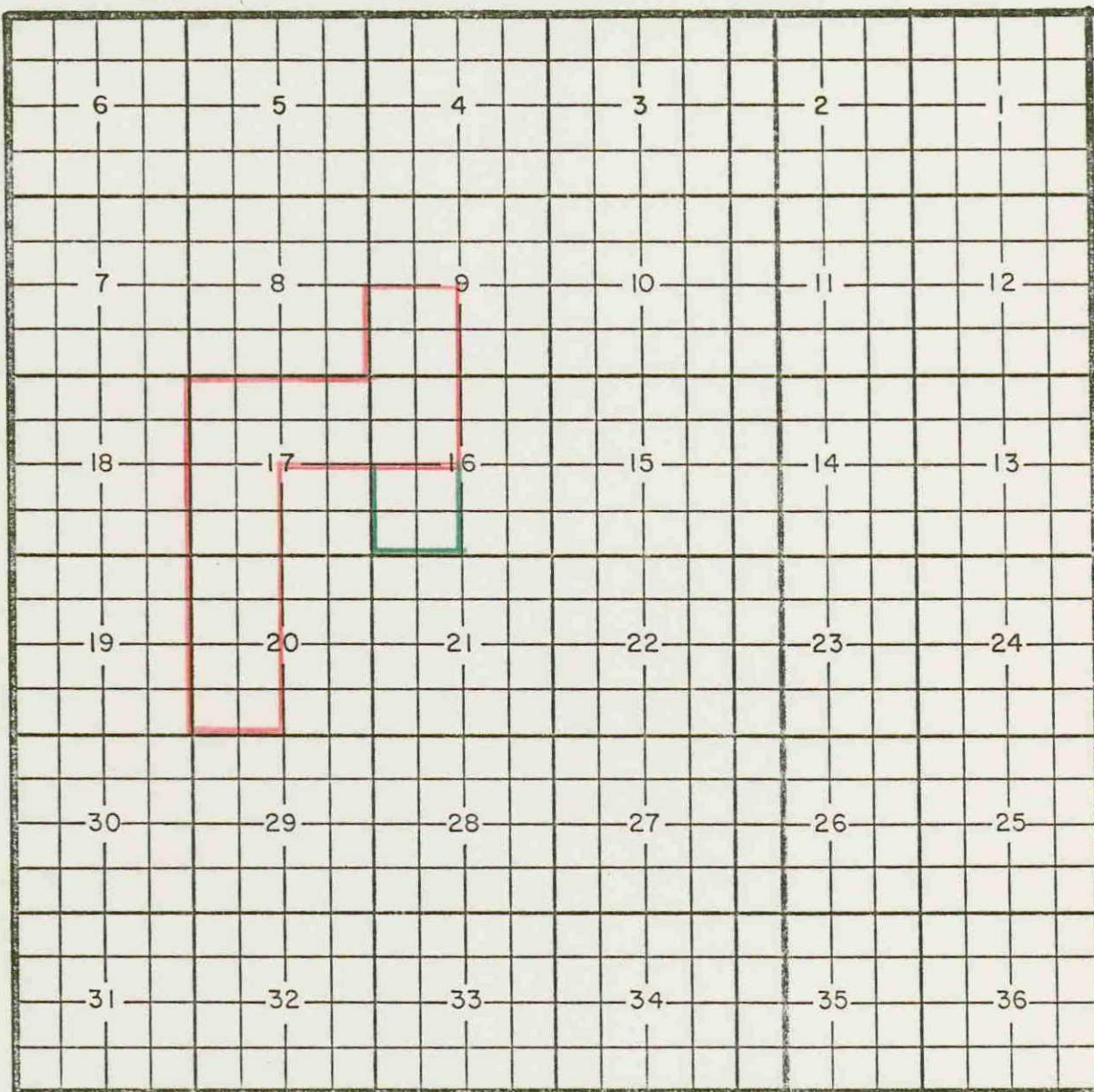
Meridian Oil Inc. Caviness Federal Well #1-K, in Sec. 11, T18S, R33E, completed December 21, 1985, in the Bone Spring formation. The top of the perforations is at 8688 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 11: SW/4

COUNTY LEA POOL EAST SAUNDERS -PERMO PENNSYLVANIAN

TOWNSHIP 14 South RANGE 34 East NMPM



PURPOSE: One completed oil well capable of producing.

Clements Energy, Inc. New Mexico 16 State Well #1-L, in Sec. 16, T14S, R34E, completed December 14, 1985, in the Permo Pennsylvanian formation.

The top of the perforations is at 10,038 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 16: SW/4

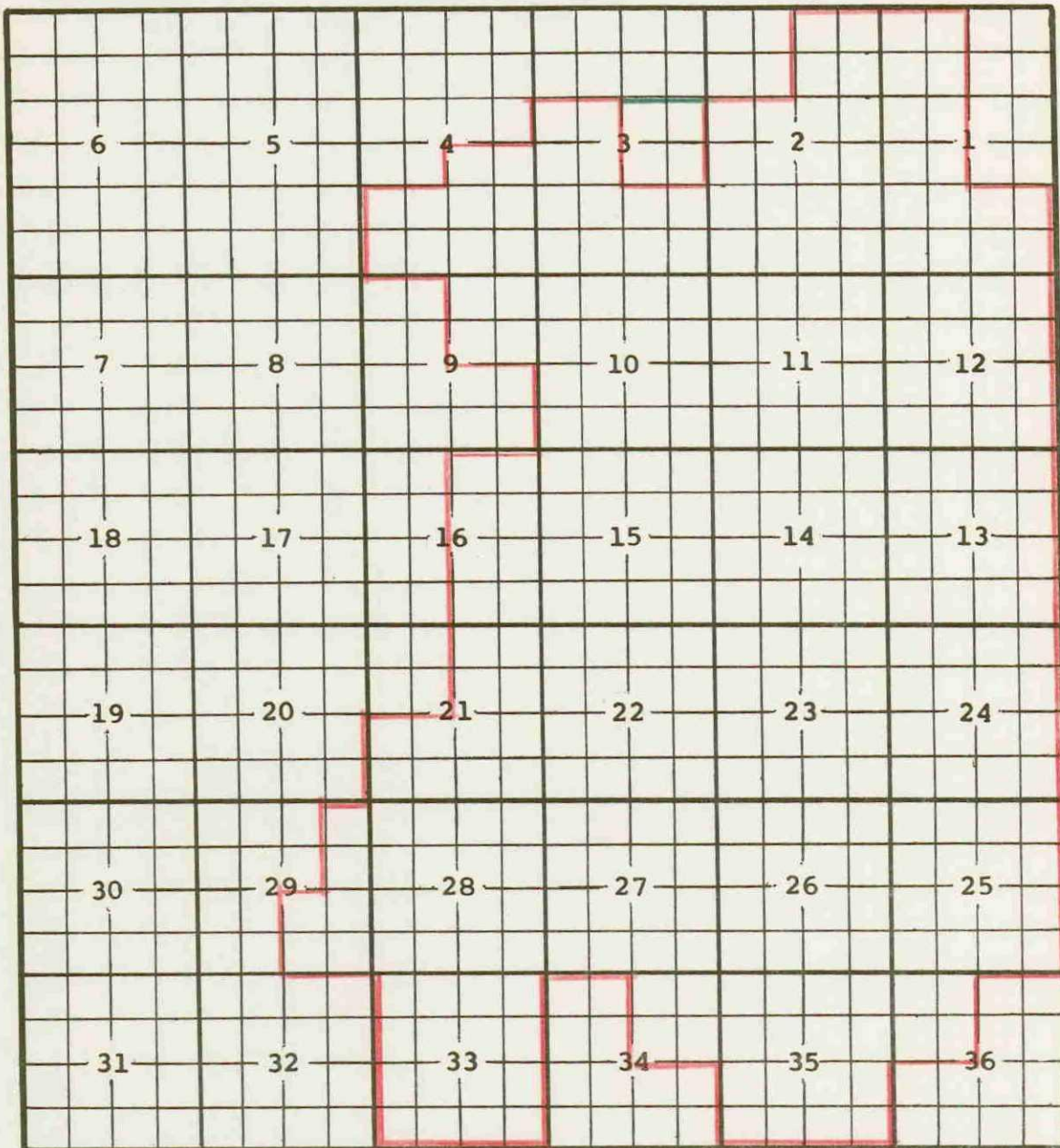
COUNTY LEA

POOL WANTZ-ABO

TOWNSHIP 21 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Shell Western E & P Inc. Taylor Glenn Well #3-I, in Sec. 3, T21S, R37E, completed December 10, 1985, in the Abo formation. The top of the perforations is at 7114 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 3: Lots 9,10,15, & 16