

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. 11961
Order No. R-10972

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, CONTRACTING, AND EXTENDING
CERTAIN POOLS IN LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 3, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach..

NOW, on this 13th day of April, 1998, the Division Director, having considered the testimony, the record, and 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 the subject matter thereof.

(2) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Northwest Echol-Devonian Pool. Said Northwest Echol-Devonian Pool was discovered by the Cobra Oil and Gas Corporation State 7 Well No. 1 located in Unit P of Section 7, Township 10 South, Range 37 East, NMPM. It was completed in the Devonian formation on September 13, 1997. The top of the perforations is at 12,532 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of South Hat Mesa-Delaware Pool. Said South Hat Mesa-Delaware Pool was discovered by the

Bass Enterprises Production Company Hat Mesa Well No. 1 located in Unit D of Section 10, Township 21 South, Range 32 East, NMPM. It was completed in the Delaware formation on September 13, 1997. The top of the perforations is at 8,602 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Seven Rivers formation, said pool to bear the designation of Littman-Seven Rivers Pool. Said Littman-Seven Rivers Pool was discovered by the D.K. Boyd Oil and Gas Company Inc. Littman 8 Federal Well No. 1 located in Unit N of Section 8, Township 21 South, Range 38 East, NMPM. It was completed in the Seven Rivers formation on December 29, 1996. The top of the perforations is at 3,138 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of West Pearl-Delaware Pool. Said West Pearl-Delaware Pool was discovered by the Armstrong Energy Corporation Mobil 24 Federal Well No. 1 located in Unit K of Section 24, Township 19 South, Range 34 East, NMPM. It was completed in the Delaware formation on October 25, 1997. The top of the perforations is at 8,130 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of West Sawyer-Devonian Pool. Said West Sawyer-Devonian Pool was discovered by the Cobra Oil and Gas Corporation State 16 Well No. 1-Y located in Unit P of Section 16, Township 9 South, Range 37 East, NMPM. It was completed in the Devonian formation on October 5, 1997. The top of the perforations is at 12,551 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of North Shoe Bar-Atoka Gas Pool. Said North Shoe Bar-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Brunson AQK State Com Well No. 1 located in Unit G of Section 10, Township 16 South, Range 35 East, NMPM. It was completed in the Atoka formation on October 7, 1997. The top of the perforations is at 11,992 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, said pool to bear the designation of Trinity-Devonian Pool. Said Trinity-Devonian Pool was discovered by the Charles B. Gillespie Jr. Hodge Well No. 1 located in Unit M of Section 27, Township 12 South, Range 38 East, NMPM. It was completed in the Devonian formation on December 15, 1997. The top of the perforations is at 12,133 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Northeast

Vacuum -Abo Pool. Said Northeast Vacuum-Abo Pool was discovered by the Primero Operating Inc. Plains Radio State Well No. 1 located in Unit E of Section 23, Township 17 South, Range 35 East, NMPM. It was completed in the Abo formation on November 23, 1997. The top of the perforations is at 9,591 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Yates formation, said pool to bear the designation of East Warren-Yates Pool. Said East Warren-Yates Pool was discovered by the Stevens & Tull Inc. Kyte Well No. 6 located in Unit I of Section 23, Township 20 South, Range 38 East, NMPM. It was completed in the Yates formation on November 18, 1997. The top of the perforations is at 3,110 feet.

(11) There is need for the contraction of the West Lovington-Pennsylvanian Pool in Lea County, New Mexico, in order to correct nomenclature.

(12) There is need for the contraction of the West Lovington-Strawn Pool in Lea County, New Mexico, in order to include the deleted acreage in the South Big Dog-Strawn Pool.

(13) There is need for certain extensions to the Allison-Devonian Pool, the Apache Ridge-Bone Spring Pool, the South Big Dog-Strawn Pool, the Blibrey-Morrow Gas Pool, the Blinebry Oil and Gas Pool, the Corbin-Abo Pool, the Crazy Horse-Delaware Pool, the Diamondtail-Bone Spring Pool, the Eumont-Yates-Seven Rivers-Queen Pool, the South Eunice-San Andres Pool, the Southwest Eunice-San Andres Pool, the East Grama Ridge-Morrow Gas Pool, the South House-Blinebry Pool, the Johnson Ranch-Wolfcamp Gas Pool, the Mid Justis-Abo Gas Pool, the North Justis-Montoya Pool, the Kemnitz-Cisco Pool, the Northeast Lovington-Pennsylvanian Pool, the West Lovington-Pennsylvanian Pool, the West Lusk-Delaware Pool, the North Lusk-Strawn Pool, the North Mescalero-Cisco Pool, the Monument-Abo Pool, the North Monument-Abo Pool, the Southeast Monument-Abo Pool, the Monument-Tubb Pool, the Nadine-Blinebry Pool, the West Nadine-Drinkard Pool, the West Nadine-Tubb Pool, the West Ojo Chiso-Morrow Gas Pool, the North Osudo-Morrow Gas Pool, the West Pearl-San Andres Pool, the South Quail Ridge-Bone Spring Pool, the Quail Ridge-Morrow Gas Pool, the Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the Shoe Bar-Wolfcamp Pool, the Skaggs-Abo Gas Pool, the East Skaggs-Abo Pool, the North Skaggs-Abo Pool, the Skaggs-Drinkard Pool, the Northwest Skaggs-Drinkard Pool, the Townsend-Morrow Gas Pool, the North Triste Draw-Morrow Gas Pool, the North Vacuum-Abo Pool, the Vacuum-Drinkard Pool, the East Vacuum-Drinkard Pool, the Wantz-Abo Pool, the Warren-Grayburg-San Andres Pool, the East Warren-Tubb Pool, the Weir-Blinebry Pool, the Weir-Drinkard Pool, the North Young-Delaware Pool, and the Young-Queen Pool, all in Lea County, New Mexico.

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IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 7: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
Section 8: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 24: SW/4

(e) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the West Sawyer-Devonian Pool, consisting of the following described area.

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 16: SE/4

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

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TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 10: N/2

Section 11: N/2

(g) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Trinity-Devonian Pool, consisting of the following described area.

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 27: SW/4

(h) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the Northeast Vacuum-Abo Pool, consisting of the following described area.

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 23: NW/4

(i) A new pool in Lea County, New Mexico, classified as an oil pool for Yates production is hereby created and designated as the East Warren-Yates Pool, consisting of the following described area.

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: SE/4

(j) The West Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby contracted by the deletion of the following described area.

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 19: SW/4

Section 20: S/2

Section 29: All

Section 30: NW/4 and S/2

(k) The West Lovington-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 2: Lot 8

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(l) The South Big Dog-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 2: Lot 8

(m) The Allison Devonian Pool in Lea County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4

(n) The Apache Ridge-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 36: SE/4

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 31: W/2

(o) The Bilbrey Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 22: W/2

(p) The Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 14: SE/4
Section 23: NE/4
Section 24: NW/4

(q) The Corbin-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 1: NE/4

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TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 6: W/2

(r) The Crazy Horse-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 24: W/2

(s) The Diamondtail-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 23: NE/4

(t) The Eumont-Yates-Seven Rivers Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 29: SE/4

(u) The South Eunice-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: NW/4

(v) The Southwest Eunice-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4

(w) The East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 33: N/2

(x) The South House-Blinbry Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 13: SW/4

(y) The Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 9: S/2

Section 16: E/2

(z) The Mid Justis-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 25: SW/4

(aa) The North Justis-Montoya Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 26: SE/4

Section 35: NE/4

(bb) The Kemnitz-Cisco Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 7: SE/4

Section 8: SW/4

(cc) The Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 6: Lots 3, 4, 5, and 6

(dd) The West Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 21: N/2

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(ee) The West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 20: NW/4

(ff) The North Lusk-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 33: NE/4

(gg) The North Mescalero-Cisco Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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

(hh) The Monument-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 22: SE/4
Section 23: NW/4
Section 26: NE/4

(ii) The North Monument-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: SE/4

(jj) The Southeast Monument-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4
Section 9: SW/4
Section 16: NW/4

(kk) The Monument-Tubb Pool in Lea County, New Mexico, as heretofore

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classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 6: SE/4

(ll) The Nadine-Bliebry Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 27: NE/4 and S/2

(mm) The West Nadine-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 5: NE/4

(nn) The West Nadine-Tubb Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 5: SW/4
Section 8: NW/4

(oo) The West Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 20: N/2 and SE/4
Section 29: S/2

(pp) The North Osudo-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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

(qq) The West Pearl-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 32: NW/4

(rr) The South Quail Ridge-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 33: SE/4
Section 34: SW/4

(ss) The Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 29: NW/4
Section 30: N/2

(tt) The Red Tank-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 24: NE/4

(uu) The West Red Tank-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 25: SE/4

(vv) The Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 23: S/2

(ww) The Skaggs-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4
Section 3: E/2

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(xx) The East Skaggs-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: SE/4
Section 8: SW/4
Section 18: NE/4

(yy) The North Skaggs-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 19: SW/4
Section 30: N/2 and SE/4

(zz) The Skaggs-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SW/4

(aaa) The Northwest Skaggs-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 34: SE/4

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: W/2 NE/4

(bbb) The Townsend-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH RANGE 35 EAST, NMPM
Section 17: NW/4
Section 18: N/2 and SW/4

(ccc) The North Triste Draw-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 15: W/2
Section 16: SE/4

(ddd) The North Vacuum-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 36: NE/4

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 30: SW/4
Section 31: NW/4

(eee) The Vacuum-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 33: NW/4

(fff) The East Vacuum-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 27: NW/4 and S/2

(ggg) The Wantz-Abo Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 34: NW/4 and S/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 3: W/2
Section 9: NE/4
Section 10: NW/4

(hhh) The Warren Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

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TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: NW/4

(iii) The East Warren-Tubb Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: SE/4
Section 36: E/2

(jjj) The Weir-Blinbry Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 10: E/2 SE/4
Section 11: SW/4

(kkk) The Weir-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4

(lll) The North Young-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 7: SE/4
Section 18: NE/4

(mmm) The Young-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4
Section 18: E/2

IT IS FURTHER ORDERED THAT:

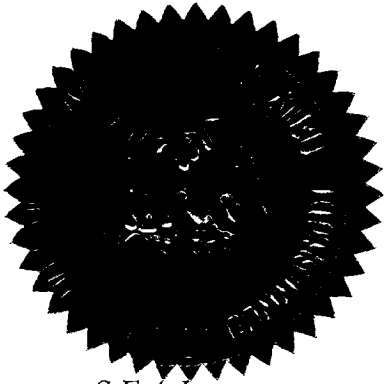
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool

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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, contractions, and extensions included herein shall be May 1, 1998.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director

fd/