

Sec : 03 Twp : 23S Rng : 26E Section Type : NORMAL

<p>4 40.78 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>3 40.66 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>2 40.54 CS K02857 0003 BP AMERICA PRODUC 11/20/72 C</p>	<p>1 40.42 CS K02857 0003 BP AMERICA PRODUC 11/20/72 C</p>
<p>E 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>F 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>G 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72 A</p>	<p>H 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72 A</p>
<p>L 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72 A</p>	<p>K 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>J 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>I 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>
<p>M 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72 A</p>	<p>N 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>O 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>	<p>P 40.00 CS K02857 0003 BP AMERICA PRODUC 11/20/72</p>

CMD :
OG6IWCW INQUIRE WELL COMPLETIONS

03/24/04 15:36:03
OGOMES -TPF2

API Well No : 30 15 31432 Eff Date : 02-22-2001 WC Status : A
Pool Idn : 73960 CARLSBAD;MORROW, SOUTH (PRO GAS)
OGRID Idn : 17891 POGO PRODUCING CO
Prop Idn : 26857 STATE W

Well No : 002
GL Elevation: 3311

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : M 3 23S 26E FTG 660 F S FTG 660 F W P
Lot Identifier:
Dedicated Acre: 320.00
Lease Type : S
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
 OGGACRE
 ONGARD
 C102-DEDICATE ACREAGE

03/24/04 15:36:10
 OGOMES -TPF2
 Page No : 1

API Well No : 30 15 31432 Eff Date : 02-22-2001
 Pool Idn : 73960 CARLSBAD;MORROW, SOUTH (PRO GAS)
 Prop Idn : 26857 STATE W
 Spacing Unit : 54144 OCD Order :
 Sect/Twp/Rng : 3 23S 26E Acreage : 320.00 Revised C102? (Y/N) :
 Dedicated Land:

 S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

I	3	23S	26E	40.00	N	ST	
J	3	23S	26E	40.00	N	ST	
K	3	23S	26E	40.00	N	ST	
L	3	23S	26E	40.00	N	ST	
M	3	23S	26E	40.00	N	ST	
N	3	23S	26E	40.00	N	ST	
O	3	23S	26E	40.00	N	ST	
P	3	23S	26E	40.00	N	ST	

E0005: Enter data to modify or PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
 OGIIPRD INQUIRE PRODUCTION BY POOL/WELL

03/24/04 15:36:18
 OGOMES -TPF2
 Page No: 1

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 73960 CARLSBAD,MORROW, SOUTH (PRO GAS)
 API Well No : 30 15 31432 Report Period - From : 01 1993 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water Stat	Well
30 15 31432	STATE W	02 01 26	26669 13 23	
30 15 31432	STATE W	03 01 31	141838 75 87	
30 15 31432	STATE W	04 01 19	113390 59 72	
30 15 31432	STATE W	05 01 31	168533 105 89	
30 15 31432	STATE W	06 01 30	142179 64 76	
30 15 31432	STATE W	07 01 31	135776 92 78	
30 15 31432	STATE W	08 01 31	119857 40 64	

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
 OGIIPRD INQUIRE PRODUCTION BY POOL/WELL

03/24/04 15:36:24
 OGOMES -TPF2
 Page No: 2

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 73960 CARLSBAD:MORROW, SOUTH (PRO GAS)
 API Well No : 30 15 31432 Report Period - From : 01 1993 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Gas	Volumes Oil	Well Water Stat
30	15 31432 STATE W	09 01 30	104382	9	102
30	15 31432 STATE W	10 01 29	88788	34	64
30	15 31432 STATE W	11 01 26	56179	28	37 F
30	15 31432 STATE W	12 01 31	51297	48	67 F
30	15 31432 STATE W	01 02 27	38917	7	49 F
30	15 31432 STATE W	02 02 18	34409		67 F
30	15 31432 STATE W	03 02 31	30822		42 F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPPOOL PF11 NXTOGD PF12

CMD : ONGARD 03/24/04 15:36:26
 OGD6IPRD INQUIRE PRODUCTION BY POOL/WELL OGD6MES -TPF2
 Page No: 3

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 73960 CARLSBAD;MORROW, SOUTH (PRO GAS)
 API Well No : 30 15 31432 Report Period - From : 01 1993 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Gas	Oil	Water	Well Stat
30 15 31432	STATE W	04 02 29	23646	8	30	F
30 15 31432	STATE W	05 02 27	20377	2	15	F
30 15 31432	STATE W	06 02 28	21115	8	3690	F
30 15 31432	STATE W	07 02 31	20040		26	F
30 15 31432	STATE W	08 02 31	15843		13	F
30 15 31432	STATE W	09 02 27	9782		9	F
30 15 31432	STATE W	10 02	44			F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.
 PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL

ONGARD
 03/24/04 15:36:27
 OGOMES -TPF2
 Page No: 4

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 73960 CARLSBAD:MORROW, SOUTH (PRO GAS)
 API Well No : 30 15 31432 Report Period - From : 01 1993 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY	Production Volumes Gas Oil Water	Well Stat
30 15 31432	STATE W	11 02		F
30 15 31432	STATE W	12 02		F
30 15 31432	STATE W	01 03		F
30 15 31432	STATE W	02 03		F
30 15 31432	STATE W	03 03		F
30 15 31432	STATE W	04 03		F
30 15 31432	STATE W	06 03	118	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPPOOL PF11 NXTOGD PF12

CMD : ONGARD
 OGGIPRD INQUIRE PRODUCTION BY POOL/WELL

03/24/04 15:36:28
 OGMES -TPF2
 Page No: 5

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 73960 CARLSBAD;MORROW, SOUTH (PRO GAS)
 API Well No : 30 15 31432 Report Period - From : 01 1993 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 31432	STATE W	07 03		F
30 15 31432	STATE W	08 03		F
30 15 31432	STATE W	09 03		F
30 15 31432	STATE W	10 03		F
30 15 31432	STATE W	11 03		F
30 15 31432	STATE W	12 03		F
30 15 31432	STATE W	01 04		F

Reporting Period Total (Gas, Oil) : 1363883 592 4818

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
 DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

*clsf
 BLM
 BLM
 SF 29*

OIL CONSERVATION DIVISION

2040 Pacheco St.
 Santa Fe, NM 87505

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO.
 30-015-31432

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

7. Lease Name or Unit Agreement Name
 State "W"


2. Name of Operator
 Pogo Producing Company

8. Well No.
 2

3. Address of Operator
 P. O. Box 10340, Midland, TX 79702-7340

9. Pool name or Wildcat
 Carlsbad South Morrow
 RECEIVED
 OCD - ARTESIA

4. Well Location
 Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line
 Section 3 Township 23 Range 26 NMPM Eddy County

10. Date Spudded 12/18/00 11. Date T.D. Reached 02/08/01 12. Date Compl. (Ready to Prod.) 02/22/01 13. Elevations (DF & RKB, RT, GR, etc.) 3311 14. Elev. Casinghead 3312

15. Total Depth 12000 16. Plug Back T.D. 11922 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By _____ Rotary Tools Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name
Morrow 11,648'-78' 20. Was Directional Survey Made
No

21. Type Electric and Other Logs Run
CNDL-GR, DLL 22. Was Well Cored
No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	72	500	17-1/2	625 sks - circ 84 sks	
9-5/8	40	2500	12-1/4	1000 sks - circ 95 sks	
7	29	9765	8-1/2	2120 sks - TOC @ 2590	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5	9542	12000	355 sks		2-3/8 - 2-7/8	11599	

26. Perforation record (Interval, size, and number)
11,648'-78' (4 spf - .4")

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>11648-78</u>	

28. PRODUCTION

Date First Production 02/22/01 Production Method (*Flowing, gas lift, pumping - Size and type pump*) Flowing Well Status (*Prod. or Shut-in*) Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>02/25/01</u>	<u>24</u>	<u>18/64</u>		<u>3</u>	<u>4535</u>	<u>2</u>	<u>1511667</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
<u>2270</u>			<u>0</u>	<u>4535</u>	<u>2</u>	<u>55</u>

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*) Sold Test Witnessed By Blaise Campanella

30. List Attachments
Logs, C-104, Sundry, Deviation Survey, 4 Pt test

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Cathy Tomberlin Printed Name Cathy Tomberlin Title Operation Tech Date 03/02/01

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____ No. 3, from _____ to _____
 No. 2, from _____ to _____ No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet _____
 No. 2, from _____ to _____ feet _____
 No. 3, from _____ to _____ feet _____

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
		1345.0	Basal Anhydrite				
		1671.0	Delaware Lime				
		1825.0	Bell Canyon				
		2415.0	Cherry Canyon				
		3561.0	Brushy Canyon				
		5119.0	Bone Spring				
		8662.0	Wolfcamp				
		10033.0	Cisco				
		10304.0	Strawn				
		10906.0	Atoka Lime				
		11450.0	Morrow Clastics				
		11912.0	Mississippian				

WELL NAME AND NUMBER State 'W' #2

LOCATION Section 3, T-23-S, R-26-E, Eddy County, New Mexico

OPERATOR Pogo Producing Co., P.O. Box 10340, Midland, Texas 79702

DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

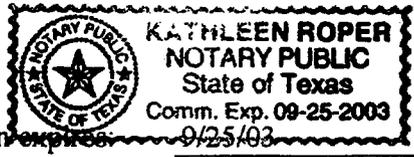
The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
.75 @ 253'	1.00 @ 2,112'	1.00 @ 5,937'	.25 @ 9,047'
.75 @ 458'	1.00 @ 2,320'	1.25 @ 6,187'	1.00 @ 9,269'
1.00 @ 891'	1.00 @ 2,460'	1.50 @ 6,439'	1.00 @ 9,512'
5.50 @ 1,182'	.25 @ 2,933'	1.50 @ 6,688'	1.50 @ 9,811'
5.25 @ 1,242'	.25 @ 3,183'	1.50 @ 6,879'	1.50 @ 10,046'
5.00 @ 1,296'	.25 @ 3,434'	1.25 @ 7,157'	1.50 @ 10,248'
4.75 @ 1,329'	1.00 @ 3,686'	1.00 @ 7,416'	2.00 @ 11,038'
3.25 @ 1,392'	1.00 @ 3,936'	3.25 @ 7,688'	1.25 @ 11,377'
3.25 @ 1,506'	.50 @ 4,186'	2.75 @ 7,784'	2.00 @ 11,619'
2.50 @ 1,569'	.75 @ 4,436'	3.00 @ 7,854'	1.50 @ 11,964'
1.50 @ 1,631'	.75 @ 4,687'	2.50 @ 8,013'	
1.50 @ 1,673'	.50 @ 4,969'	1.25 @ 8,223'	
1.75 @ 1,798'	.75 @ 5,218'	1.00 @ 8,325'	
1.00 @ 1,892'	1.25 @ 5,467'	.75 @ 8,580'	
1.00 @ 1,988'	1.00 @ 5,686'	1.00 @ 8,859'	

Drilling Contractor TMBR/Sharp Drilling, Inc.

By Jeffrey D. Phillips
 Jeffrey D. Phillips, Vice President

Subscribed and sworn to before me this 22 day of February 2001



Kathleen Roper
 Notary Public Kathleen Roper

Commission expires 09/25/03 Midland County, Texas

REC-103

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies
 AMENDED REPORT

9-2-01
LT
GT
AL

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Pogo Producing Company P. O. Box 10340 Midland, TX 79702-7340		² OGRID Number 017891
		³ Reason for Filing Code NW
⁴ API Number 30 - 0 15-31432	⁵ Pool Name Carlsbad South Morrow	⁶ Pool Code 73960
⁷ Property Code 26857	⁸ Property Name State "W"	⁹ Well Number 2

CONFIDENTIAL

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	3	23	26		660	South	660	West	Eddy

III. ¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Lse Code S	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date 02/22/01	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
007440	EOTT Operating L. P. P. O. Box 1188 Houston, TX 77252	2828252	O	M/3/23/26 State "W" #2
007057	El Paso Natural Gas P. O. Box 1492 El Paso, TX 79978	2828253	G	M/3/23/26 State "W" #2

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OCD - ARTESIA

IV. Produced Water

²³ POD 2828254	²⁴ POD ULSTR Location and Description
------------------------------	--

V. Well Completion Data

²⁵ Spud Date 12/18/00	²⁶ Ready Date 02/22/01	²⁷ TD 12000	²⁸ PBD 11922	²⁹ Perforations 11648-78	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2	13-3/8	500	625 sks - circ 84 sks		
12-1/4	9-5/8	2500	1000 sks - circ 95 sks		
8-1/2	7	9765	2120 sks		
6-1/8	5 liner	12000	355 sks - TOC @ 2970		

VI. Well Test Data

³⁵ Date New Oil 02/22/01	³⁶ Gas Delivery Date 02/22/01	³⁷ Test Date 02/25/01	³⁸ Test Length 24	³⁹ Tbg. Pressure 2270	⁴⁰ Csg. Pressure
⁴¹ Choke Size 18/64	⁴² Oil 3	⁴³ Water 2	⁴⁴ Gas 4535	⁴⁵ AOF 6313	⁴⁶ Test Method Flowing

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION ORIGINAL SIGNED BY TIM W. GUM DISTRICT H SUPERVISOR <i>TWG</i>	
Signature: <i>Cathy Tomberlin</i>	Approved by:		
Printed name: Cathy Tomberlin	Title:	Approval Date: MAR 15 2001	
Title: Operation Tech	Date: 03/02/01	Phone: 915-685-8100	
⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

C15
[Signature]

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-015-31432

Indicate Type of Lease
STATE FEE

State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Lease Name or Unit Agreement Name
State "W"

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Pogo Producing Company

Well No.
2

Address of Operator
P. O. Box 10340, Midland, TX 79702-7340

Pool name or Wildcat
Carlsbad South Morrow

Well Location
Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line
Section 3 Township 23 Range 26 NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3311' GR

CONFIDENTIAL

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud, set surface, intermediate & production casing <input checked="" type="checkbox"/>	

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud & Set Surface Csg - MIRU TMBR/Sharp #10. Spud well @ 2100 hrs 12/18/00. Drid 17-1/2" hole to 500'. TD reached @ 1830 hrs 12/20/00. Ran 13 jts 13-3/8" 72# K-55 ST&C csg. TPGS @ 500'. BJ cmt'd w/ 425 sks 65:35 POZ @ 12.8 ppg followed by 200 sks Cl "C" + 2% CaCl2 @ 14.8 ppg. Plug down @ 0315 hrs 12/21/00. Circ 84 sks to surface. WOC 24 hrs. Make cut-off. Weld on WH & test to 500#. NU BOP's & test to 1000# ok.

Intermediate & Production Csg - Drid 12-1/4" hole to 2500'. TD reached @ 2015 hts 12/24/00. Ran 57 jts 9-5/8" 40# K-55 ST&C csg. BJ cmt'd w/ 800 sks 65:35 POZ @ 12.4 ppg followed by 200 sks Cl "C" + 2% CaCl2 @ 14.8 ppg. Plug down @ 1800 hrs 12/27/00. Circ 95 sks to surface. WOC 31 hrs. ND BOP's & make cut-off. Weld on WH & test to 2000# ok. Drid 8-1/2" hole to 9765'. TD reached @ 1845 hrs 01/11/01. Logged 8-1/2" hole w/ Baker Atlas. Ran 231 jts 7" 29# N-80 LT&C csg. Float shoe @ 9765'. Float collar @ 9714'. DV tool @ 5997'. BJ cmt'd 1st stage w/ 900 sks Cl "H" + .3% FL52 + .3% CD32 + .15% SMS + .1% R3 @ 15.7 ppg. Circ. Cmt'd 2nd stage w/ 1220 sks Cl "C" + .15% FL52 + .75% CD32 @ 14.09 ppg. Did not circ. Ran temp survey. TOC @ 2590'. Drid 6-1/8" hole to 12,000'. TD reached @ 0500 hrs 02/08/01. Logged 6-1/8" hole w/ Baker Atlas. Ran 76 jts 5" 18# P-110 liner. BJ cmt'd w/ 355 sks Cl "H" + .3 FL52 + .3% CD32 + .15% SMS + .1% R3 @ 15.7 ppg. Top of liner @ 9542'. ND BOP's & make cut-off. Weld on WH. CBL ran 02/19/01. TOC @ 2970'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cathy Tomberlin TITLE Operation Tech DATE 03-02-01

TYPE OR PRINT NAME Cathy Tomberlin TELEPHONE NO. 915-685-8100

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

MAR 15 2001

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

District I
1623 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

25678910111213141516171819
NOV 2000
RECEIVED
OCD - ARTESIA
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies
AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address POGO PRODUCING COMPANY P.O. BOX 10340 MIDLAND, TEXAS 79702-4345		Well No. 2
Property Code 26857	Property Name STATE "W"	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
"M"	3	23S	26E		660'	SOUTH	660'	WEST	EDDY

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line
UNDES CARLSBAD MORROW SOUTH (73960)						

Operator to comply with all FAA rules that may apply.

Work Type Code N	Well Type Code G	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 3311'
Multiple NO	Proposed Depth 12,100'	Formation MORROW	Contractor	Spud Date WHEN APPROVED

Minimum WOC time 8 hrs. Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
25"	20"	NA	40'	Redi-mix	SURFACE
17½"	13 3/8"	54.5	500'	750 Sx.	SURFACE
12½"	9 5/8"	40.5	2500'	1200 Sx.	SURFACE
* 8½"	7"	26	10,400'	1000 Sx.	2000' from Sur.
* 7 7/8-6 1/8"	5½ or 5"	15#N-80 20&17	12,100'	2500 Sx.	2000' from Sur.

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 500'. Run and set 500' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 2500'. Run and set 2500' of 9 5/8" 40.5# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + ½# Flocele/Sx. + 2% CaCl, circulate cement to surface.
- * 4. Drill 8½" hole to 10,300' if no lost circulation problems are encountered reduce hole to 7 7/8" and drill to TD of 12,100' and run 12,100' of 5½" 20# & 17# N-80 LT&C casing. Cement in three stages DV tool at 7000' and 4500'. Cement with 2500 Sx. of Class "H" cement + additives.
- * 5. If lost circulation problem occur in the Strawn of other formations drill to 10,400' and run 7" 26# N-80 casing Cement in hree stages. Stage tools set at 7500' and 4500' cement with 1000 Sx. of Class "H" cement + additives top of cement 2000' from surface. Then drill 6 1/8" hole to 12,100' and run a 5" liner from TD to 10,200' and cement with 400 Sx. of Class "H" cement + additives.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Joe T. Janica*
Printed name: Joe T. Janica
Title: Agent

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title: _____
Approval Date: NOV 07 2000 | Expiration Date: NOV 07 2001

Date: _____ Phone: _____

Conditions of Approval: _____

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 73960	Pool Name CARLSBAD MORROW SOUTH
Property Code 26857	Property Name STATE W	Well Number 2
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 3311

Surface Location

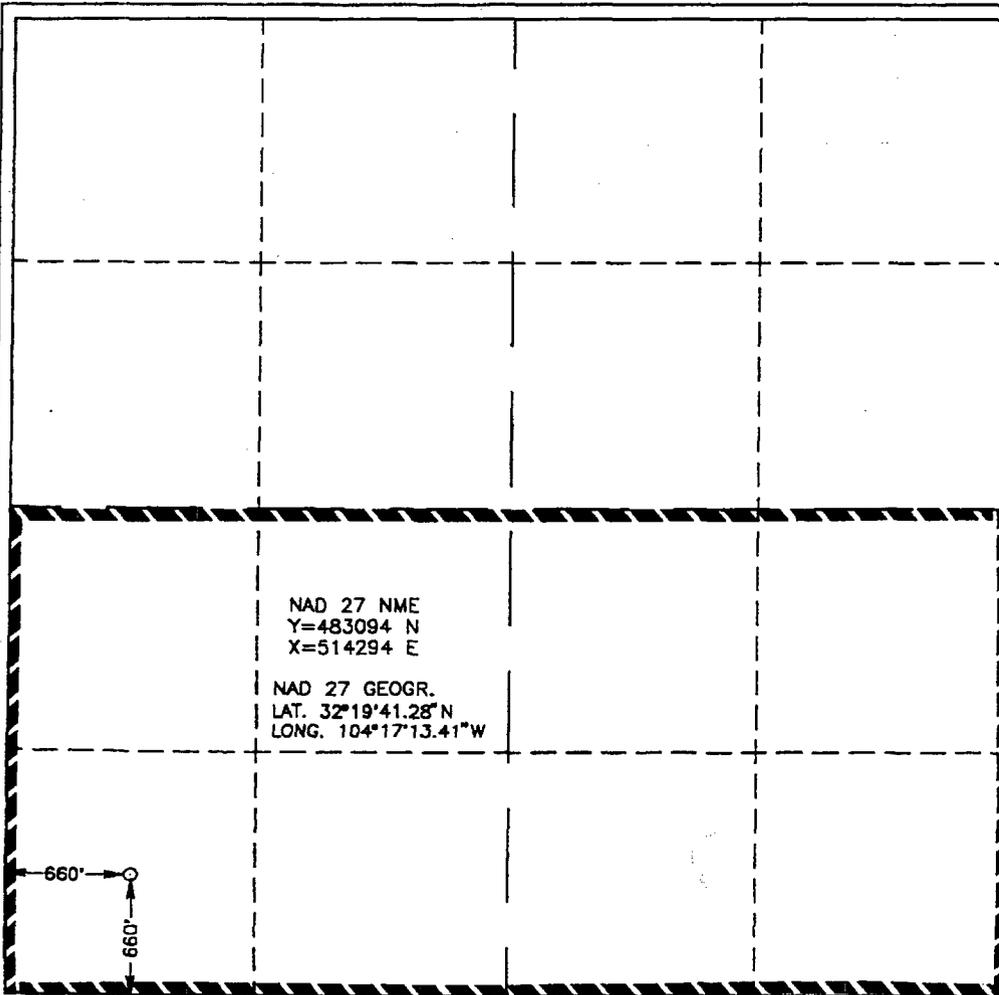
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	3	23 S	26 E		660	SOUTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

1/03/00
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

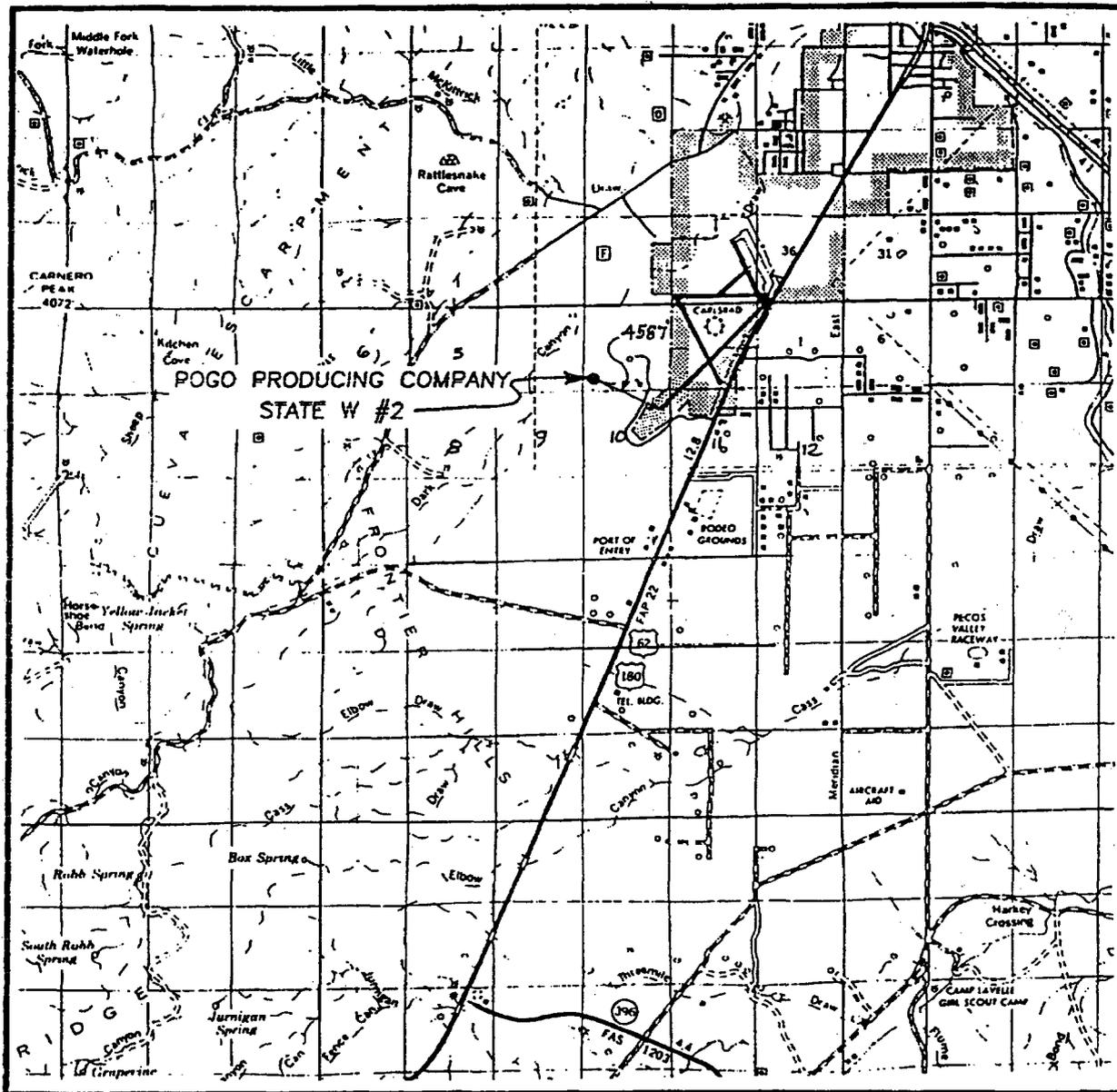
OCTOBER 30, 2000
Date Surveyed

Signature of Seal of Professional Surveyor
Ronald J. Edson 11/03/00

W.O. No. 80-11-1362

Certificate No. RONALD J. EDSON, 3239
GARY G. EDSON, 12841

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 3 TWP. 23-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 660' FWL

ELEVATION 3311

OPERATOR POGO PRODUCING COMPANY

LEASE STATE W

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

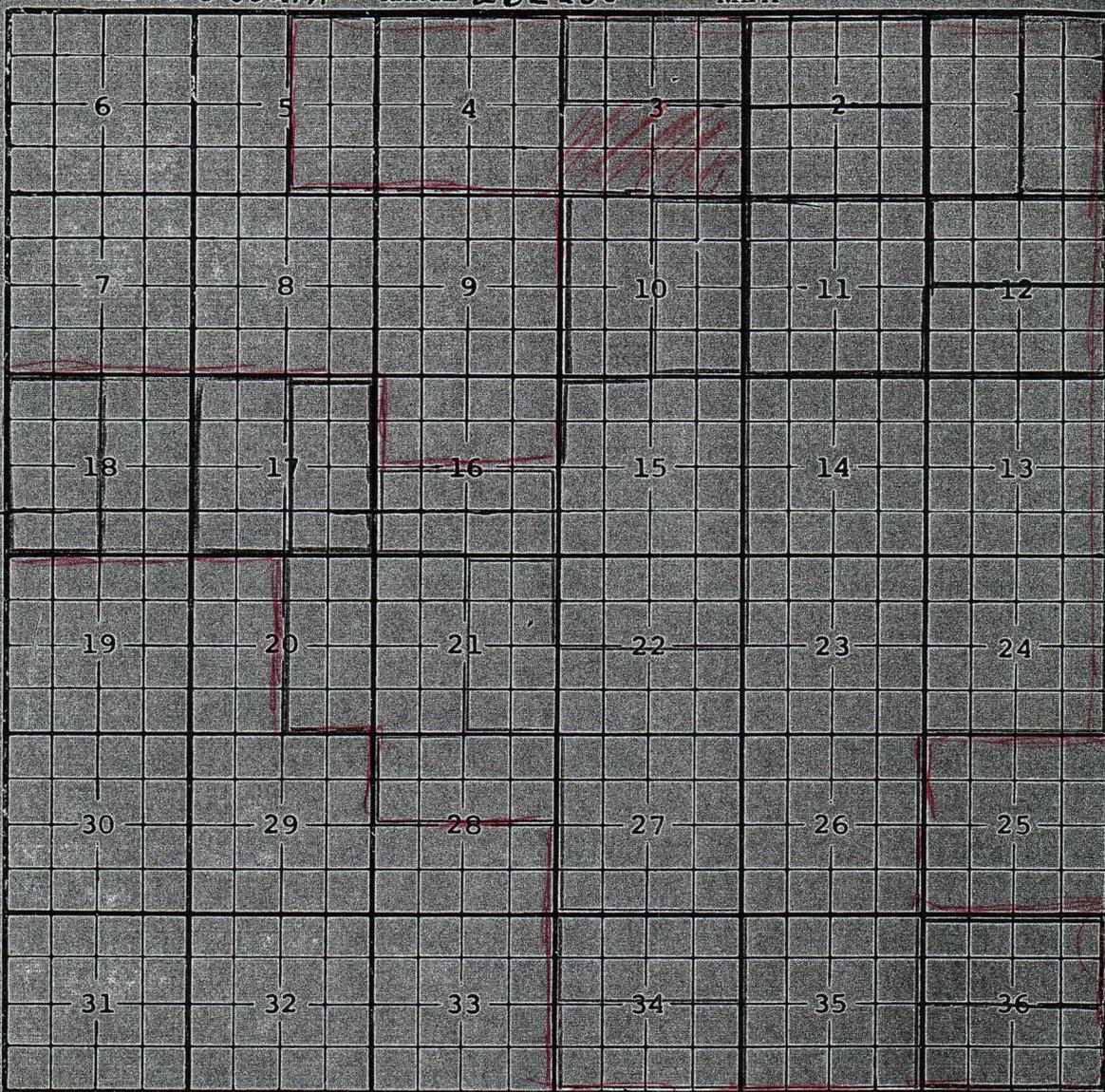
COUNTY *Eddy*

POOL *South Carlsbad - Morrow Gas*

TOWNSHIP *23 South*

RANGE *26 East*

NMPM



Description: $\frac{N}{2}$ Sec. 12 (R-3731, 5-1-69)

Ext: $\frac{W}{2}$ Sec. 1 (R-4032, 10-1-70) - All Sec. 11 (R-4080, 1-1-71) - $\frac{S}{2}$ Sec. 12 (R-4146, 6-1-71)

- $\frac{S}{2}$ Sec. 2 (R-4194, 10-1-71) - $\frac{N}{2}$ Sec. 2 (R-4279, 4-1-72)

Ext: $\frac{E}{2}$ Sec. 1, $\frac{N}{2}$ Sec. 3, All Sec. 13 & 14, $\frac{E}{2}$ Sec. 21, $\frac{S}{2}$ Sec. 22, 23

All Sec. 23, 24, 26, 27 & 35 (R-4915, 12-1-74)

Ext: $\frac{S}{2}$ Sec. 16 (R-5015, 6-1-75) Ext: $\frac{E}{2}$ Sec. 10, $\frac{N}{2}$ Sec. 34 (R-5204, 5-1-76)

Ext: $\frac{S}{2}$ Sec. 34 (R-5456, 7-1-77) Ext: $\frac{N}{2}$ Sec. 28 (R-5876, 12-1-78)

Ext: $\frac{S}{2}$ sec. 36 (R-6923, 3-9-82)

Ext: $\frac{S}{2}$ Sec. 3, All Sec. 4, $\frac{E}{2}$ Sec. 5 (R-7222, 2-25-83)

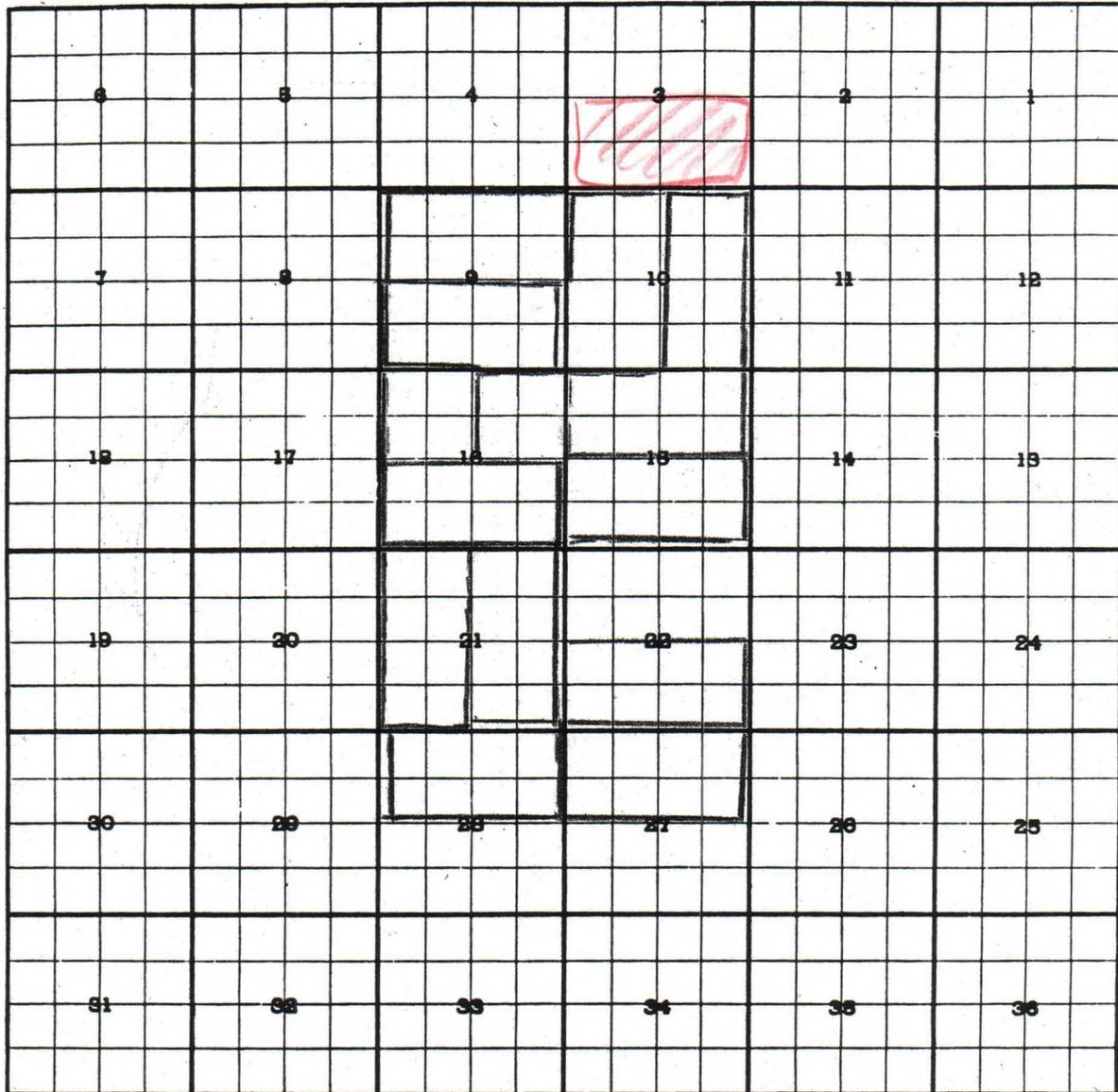
Ext: $\frac{N}{2}$ Sec. 36 (R-7279, 5-17-83) EXT: $\frac{E}{2}$ SEC. 17 (R-9096, 1-1-90)

Ext: All Sec. 15, $\frac{E}{2}$ Sec. 20, $\frac{W}{2}$ Sec. 21, $\frac{N}{2}$ Sec. 22 (R-9578, 9-10-91)

Ext: $\frac{S}{2}$ Sec. 5 (R-11678, 10-23-01) Ext: $\frac{W}{2}$ Sec. 18 (R-11691, 11-29-01)

Ext: $\frac{W}{2}$ Sec. 10 (R-11723, 2-22-02)

TOWNSHIP 23 SOUTH, RANGE 26 East, NEW MEXICO PRINCIPAL MERIDIAN



DESC: S/2 SEC 16 (R-9017, 11-1-89) EXT: W/2 SEC 21 (R-9473, 4-1-91)
 EXT: E/2 Sec. 21 (R-9545, 7-1-91) EXT: E/2 Sec. 10, N/2 Sec. 15, NE/4 Sec. 16
 (R-9709, 8-25-92) EXT: S/2 Sec. 22 (R-9963, 9-20-93)
 EXT: N/2 Sec. 28 (R-10822, 6-16-97) EXT: N/2 Sec. 27 (R-11005, 7-24-98)
 EXT: S/2 Sec. 15 (R-11277, 11-15-99) EXT: S/2 Sec. 9 (R-11444, 5-31-00)
 EXT: W/2 Sec. 10 (R-11534, 2-8-01) EXT: NW/4 Sec. 16 (R-11583, 5-7-01) EXT: N/2 Sec. 9 (R-11815, 8-13-02)

4-196-1

IN THE DISTRICT COURT OF EDDY COUNTY
STATE OF NEW MEXICO

MORRIS R. ANTWEIL,
DELTA DRILLING COMPANY and
MABEE PETROLEUM COMPANY,

Petitioners,
OIL CONSERVATION COMMISSION OF NEW MEXICO,

Respondent,
MICHAEL P. GRACE II and
CORINNE GRACE,

Petitioners,

vs.
OIL CONSERVATION COMMISSION OF NEW MEXICO,
Respondent.

J U D G M E N T

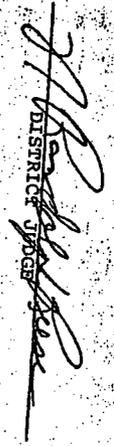
THIS CAUSE on to be heard by the Court on September 24, 1973, all parties being present in person and through their attorneys of record. The Court reviewed the Transcript of Proceedings had before the Oil Conservation Commission and the exhibits received by the Oil Conservation Commission at its hearing, and heard argument of counsel. After so doing, the Court rendered its Opinion, filed herein; pursuant thereto, IT IS, ORDERED, ADJUDGED AND DECREED that Findings Nos. 66, 69, 73, 74, 78, 80 and 82 of the Oil Conservation Commission, as set forth in its Order No. R-1670-M dated June 30, 1972, are not supported by substantial evidence, but are unreasonable, unlawful, arbitrary and capricious.

FIFTH JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF EDDY
FILED
DEC 28 1973
IN MR. OFFICE
11:42 AM
PLACES IN BLOCK
Clerk of the District Court

No. 28180
CONSOLIDATED

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Order No. R-1670-M of the Oil Conservation Commission of June 30, 1972, be, and it hereby is, therefore, set aside and held for naught.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this case be remanded to the Oil Conservation Commission for such further proceedings as may be consistent herewith. DATED this 27th day of December, 1973.

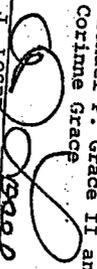
APPROVED AS TO FORM:
ATWOOD, MALONE, MANN & COOPER

DISTRICT JUDGE

BY

F. B. BORDEN
P. O. Box 718
Roswell, New Mexico 88201

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Attorneys for Petitioners
Michael P. Grace II and
Corinne Grace

A. J. LOSER
P. O. Drawer 239
Artesia, New Mexico 88210

Special Assistant Attorney General for the
Oil Conservation Commission of New Mexico

IN THE DISTRICT COURT OF EDDY COUNTY

STATE OF NEW MEXICO

MORRIS R. ANTWEIL, DELTA
DRILLING COMPANY and MABEE
PETROLEUM COMPANY,

Petitioners,

--vs--

OIL CONSERVATION COMMISSION
OF NEW MEXICO,

Respondent.

No. 28180

and

MICHAEL P. GRACE II and
CORINNE GRACE,

Petitioners,

--vs--

OIL CONSERVATION COMMISSION
OF NEW MEXICO,

Respondent.

No. 28182

OPINION OF THE COURT

The Oil Conservation Commission, in consolidated cases, heard testimony of their employees and of the parties and their witnesses in connection with the prorationing of gas under both the Carlsbad-Morrow and the Carlsbad-Strawn Pools at and near Carlsbad, New Mexico.

This opinion deals solely with the Carlsbad-Strawn and it is the Opinion of the Court that the Oil Conservation Commission

acted unreasonably, unlawfully, arbitrarily and capriciously in allocating the production from the Carlsbad-Strawn solely upon the basis of the surface acreage involved in the Oil Conservation Commission's definition of the pool, and therefore, that portion of Commission Order R-1670-M is void and should be set aside.

The Oil Commission, in said hearing, wholly failed to carry out the law under which they were setting the allowables for said field in that, Section 65-3-14A of the 1953 New Mexico Statutes Annotated, requires the Commission to afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil and gas, or both, in the pool, being an amount, so far as can be practically determined, in so far as can be practically obtained without waste, substantially in proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy.

The Oil Commission, in posting its 100% Surface Acreage formula, called attention to the fact that other fields in the State were operating on a Surface Acreage formula without stating whether or not any of such fields had been so established over the objection or protest of any operators or owners therein; together with the testimony of one of the Oil Conservation Commission's employees that it would be difficult to obtain a fair reservoir and tract gas reserve figure. The undisputed evidence of the Petitioners was that the foundational facts as required by both the above

quoted statute and Section 65-3-29H, 1953 NMSA, and the cases of Continental Oil Company versus Oil Conservation Commission, 70 New Mexico 310, 373 Pacific Second 809 and El Paso Natural Gas Company versus Oil Conservation Commission, 76 New Mexico 268, 414 Pacific Second 496, could be ascertained by standard geological and engineering practices. These Statutes and cases, definitely require the Oil Commission, in carrying out its duty, to find:

- (1) The amount of recoverable gas under each producers' tract;
- (2) The total amount of recoverable gas in the pool;
- (3) The proportion that the total amount of recoverable gas under each producers' tract bears to the total amount of recoverable gas in the pool and;
- (4) What proportion of the arrived at proportion can be recovered without waste.

The El Paso case relaxed the Continental Oil Company case to the extent that it held the foundational facts, or their equivalents, are necessary requisites to the validity of an order replacing a formula in current use and, in the mind of the Court, such requirements would be necessary to establish a new order in the first instance. The witness Stametiz having testified to the conclusion that it would not be practical to determine the foundational facts in this case, did admit that under engineering and geological principles that the reservoir capacity could be determined and the tract reserves for each producing tract could also be determined after expenditures and work. It is the opinion of the Court that this conclusion of impracticability will not stand as substantial evidence in the face of such an admission and of the undisputed testimony of the witnesses Williams and Raney who

both testified at length as to the manner of determining the reservoir reserves and the tract reserves and the manner of allowing each producer to produce his fair share of the reserves and for his use of a fair share of the reservoir energy in so producing. The undisputed testimony is that the wells in the Carlisbad-Strawn vary greatly as to productivity and reserves and that a Surface Acreage allocation would violate, instead of protecting, correlative rights; in that the wells within the tracts having the greatest amount of reserves, would only be allowed to produce an equal amount to the wells with a great deal less reserves and energy so that, according, to the findings of the Commission, there would be drainage uncompensated from the higher capacity wells to the weaker wells which could still produce the allowable.

From the foregoing, it follows that the Commission's Findings of Fact, numbered 66, 69, 73, 74, 78, 80 and 82, are not supported by substantial evidence.

IT IS THEREFORE ORDERED by the Court that Findings of Fact, numbered 66, 69, 73, 74, 78, 80 and 82, are null and void and the same are vacated and held for naught, and;

IT IS FURTHER ORDERED by the Court that that portion of Oil Conservation Commission Order R-1670-M, denominated Special Rules C.8(A) be, and the same is hereby, set aside as null and void as a result of unreasonable, unlawful, arbitrary and capricious action on the part of the Oil Conservation Commission and that this case be remanded to the Oil Conservation Commission with directions to fix an allocation formula in compliance with the applicable provisions of law.

DONE this 21st day of November, 1973.


District Judge

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
ON ITS OWN MOTION TO CONSIDER
INSTITUTING GAS PRORATIONING IN
THE SOUTH CARLSBAD-STRAWN GAS POOL,
EDDY COUNTY, NEW MEXICO.

*R-1670-M overturned by District
Court Ruling No. 28180 (5th)*

RECORDS CENTER

CASE NO. 4694
Order No. R-1670-M

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 19, 1972, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of June, 1972, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3922, dated February 20, 1970, the Commission created the South Carlsbad-Strawn Gas Pool, Eddy County, New Mexico, for the production of gas from the Strawn formation.

(3) That the horizontal limits of said pool have been extended from time to time by order of the Commission.

(4) That the horizontal limits of the South Carlsbad-Strawn Pool, as defined by the Commission, at the time of hearing this case comprise the following described area:

EDDY COUNTY

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 30: S/2
Section 31: All

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 1: E/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 6: All

(5) That in February, 1972, there were four wells completed in the Strawn formation within the above-described area and connected to gas transportation facilities.

(6) That in February, 1972, one of the wells was connected to the Transwestern Pipeline Company gas gathering system and that three of the wells were connected to the Llano, Inc. gas gathering system.

(7) That the South Carlsbad Field comprises the South Carlsbad-Atoka, South Carlsbad-Strawn, and South Carlsbad-Morrow Gas Pools.

(8) That the capacity of the Transwestern system serving the South Carlsbad Field is 90,000 MCF of gas per day.

(9) That the capacity of the Llano system serving the South Carlsbad Field is 30,000 MCF of gas per day.

(10) That the Transwestern system that takes gas from the South Carlsbad-Strawn Gas Pool also takes gas from the South Carlsbad-Morrow and South Carlsbad-Atoka Gas Pools.

(11) That the Llano system that takes gas from the South Carlsbad-Strawn Gas Pool also takes gas from the South Carlsbad-Morrow Gas Pool.

(12) That at the time of this hearing, the most recent month for which production figures were available was February, 1972.

(13) That there is evidence that additional wells have been connected to gas transportation facilities in the South Carlsbad-Morrow Gas Pool and South Carlsbad-Strawn Gas Pool after February 1, 1972, and prior to the time of this hearing.

(14) That there is no substantial evidence that the manner of producing the wells in the South Carlsbad-Strawn Gas Pool has been substantially altered after February, 1972.

(15) That it can reasonably be inferred that the manner of producing the wells in the South Carlsbad-Strawn Gas Pool is substantially the same as it was in February, 1972.

(16) That at the time of the hearing of this case, the Transwestern system was purchasing approximately 41,000 MCF of gas per day from the three pools combined.

(17) That in February, 1972, the Transwestern system purchased an average of 1815 MCF of gas per day from the one well in the South Carlsbad-Strawn Gas Pool connected to its system.

(18) That at the time of this hearing Transwestern was

purchasing gas from thirteen wells producing from the South Carlsbad-Morrow Gas Pool, three wells producing from the South Carlsbad-Strawn Gas Pool, and one well producing from the South Carlsbad-Atoka Gas Pool.

(19) That considering the fact that Transwestern's system is taking gas from thirteen wells in the South Carlsbad-Morrow Gas Pool and from one well in the South Carlsbad-Atoka Gas Pool, its capacity to take gas from the South Carlsbad-Strawn Gas Pool is substantially less than 90,000 MCF of gas per day.

(20) That in February, 1972, the Llano system purchased 10,393 MCF of gas per day from three wells producing from the South Carlsbad-Strawn Gas Pool.

(21) That at the time of this hearing Llano was purchasing gas from three wells producing from the South Carlsbad-Strawn Gas Pool and three wells producing from the South Carlsbad-Morrow Gas Pool.

(22) That considering the fact that Llano's system is presently connected to three wells in the South Carlsbad-Morrow Gas Pool, its capacity to take gas from the South Carlsbad-Strawn Gas Pool is substantially less than 30,000 MCF of gas per day.

(23) That the combined capacity of the two systems for gas from the South Carlsbad-Strawn Gas Pool is substantially less than 120,000 MCF of gas per day.

(24) That the shut-in pressures of the four wells in the South Carlsbad-Strawn Gas Pool connected to gas transportation facilities in February, 1972, ranges from a low of 3421 psi to a high of 3955 psi; that the average of said pressures is 3742 psi.

(25) That considering the nature of the South Carlsbad-Strawn Gas Pool reservoir and the high pressures existing in the pool, the daily deliverability of a well at 850 psi is essentially the same as it would be at 870 psi or 900 psi.

(26) That the producing capacity of the one South Carlsbad-Strawn well connected to the Transwestern system in February, 1972, at 850 psi is approximately 22,500 MCF of gas per day; that the capacity of said well at absolute open flow is approximately 23,012 MCF of gas per day.

(27) That the combined producing capacity of the three South Carlsbad-Strawn wells connected to the Llano system in February, 1972, at 850 psi is approximately 51,500 MCF of gas per day; that the capacity of said wells at absolute open flow is approximately 59,350 MCF of gas per day.

(28) That the combined producing capacity of the four South Carlsbad-Strawn wells connected to gas transportation facilities in February, 1972, at 850 psi is approximately 74,000 MCF of gas per day; that the capacity of said wells at absolute open flow is approximately 82,362 MCF of gas per day.

(29) That since February, 1972, Transwestern has connected to its system two additional wells producing from the South Carlsbad-Strawn Gas Pool.

(30) That wells in the subject pool connected to the Transwestern system and as described in Findings (26) and (29), above, are capable of producing gas substantially in excess of Transwestern's capacity to take gas from the South Carlsbad-Strawn Gas Pool.

(31) That wells in the subject pool connected to the Llano system as described in Finding No. 22, above, are capable of producing gas substantially in excess of Llano's capacity to take gas from the South Carlsbad-Strawn Gas Pool.

(32) That the combined capacity of the wells connected to both systems is substantially in excess of the capacity of the combined gas transportation facilities in the pool.

(33) That the Transwestern system is currently purchasing approximately 41,000 MCF of gas per day at an average pipeline pressure of 870 psi from the seventeen wells in the South Carlsbad-Atoka, South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools connected to its system.

(34) That the Llano system is currently purchasing from the South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools substantially less than 25,000 MCF of gas per day at an average pipeline pressure of 900 psi.

(35) That in February, 1972, Transwestern purchased approximately 1815 MCF of gas per day from the one well connected to its system producing from the South Carlsbad-Strawn Gas Pool.

(36) That at the time of this hearing Transwestern was purchasing gas from thirteen wells producing from the South Carlsbad-Morrow Gas Pool, three wells producing from the South Carlsbad-Strawn Gas Pool, and one well producing from the South Carlsbad-Atoka Gas Pool.

(37) That in February, 1972, Llano purchased approximately 10,393 MCF of gas per day from the three wells connected to its system producing from the South Carlsbad-Strawn Gas Pool.

(38) That at the time of this hearing Llano was connected to three wells producing from the South Carlsbad-Morrow Gas Pool and three wells producing from the South Carlsbad-Strawn Gas Pool.

(39) That considering the fact that Transwestern is taking gas from thirteen wells in the South Carlsbad-Morrow Gas Pool and one well in the South Carlsbad-Atoka Gas Pool, it must be taking substantially less than 41,000 MCF of gas per day from the South Carlsbad-Strawn Gas Pool.

(40) That considering the fact that Llano is connected to three wells in the South Carlsbad-Morrow Gas Pool, it must be taking substantially less than 25,000 MCF of gas per day from the South Carlsbad-Strawn Gas Pool.

(41) That both systems combined are currently purchasing substantially less than 66,000 MCF of gas per day from the South Carlsbad-Strawn Gas Pool.

(42) That the reasonable market demand for gas from the wells in the South Carlsbad-Strawn Gas Pool connected to the Transwestern system is substantially less than 41,000 MCF of gas per day.

(43) That the reasonable market demand for gas from the wells in the South Carlsbad-Strawn Gas Pool connected to the Llano system is less than 25,000 MCF of gas per day.

(44) That the reasonable market demand for gas from the wells in the South Carlsbad-Strawn Gas Pool connected to both systems is less than 66,000 MCF of gas per day.

(45) That the wells in the South Carlsbad-Strawn Gas Pool connected to the Transwestern system are capable of producing gas in excess of Transwestern's reasonable market demand for gas from those wells.

(46) That the wells in the South Carlsbad-Strawn Gas Pool connected to the Llano system are capable of producing gas in excess of Llano's reasonable market demand for gas from those wells.

(47) That the wells in the South Carlsbad-Strawn Gas Pool are capable of producing gas in excess of the combined reasonable market demand for gas from the South Carlsbad-Strawn Gas Pool.

(48) That the daily deliverability of the wells connected to Llano's system in February, 1972, ranges from a low of 10,500 MCF of gas per day to a high of 21,000 MCF of gas per day; that the deliverability of the well connected to Transwestern's system in February, 1972, is 22,500 MCF of gas per day.

(49) That in February, 1972, gas was taken from the well in the South Carlsbad-Strawn Gas Pool connected to Transwestern's system at an average take per connection day of 1815 MCF.

(50) That in February, 1972, gas was taken from the wells in the South Carlsbad-Strawn Gas Pool connected to Llano's system at an average take per connection day of 3464 MCF.

(51) That gas is being taken from the wells in the subject pool at a rate varying from approximately 14.9% of the monthly market for gas from the pool to 29.2% of the monthly market for gas from the pool.

(52) That in February, 1972, gas was taken from the well in the subject pool connected to Transwestern's system at a rate of 8.1% of its daily deliverability.

(53) That in February, 1972, gas was taken from the wells in the subject pool connected to Llano's system at a rate varying from 16.3% of a well's daily deliverability to 32.5% of a well's daily deliverability.

(54) That in February, 1972, gas was taken from the wells in the subject pool at a rate varying from 8.1% of a well's daily deliverability to 32.5% of a well's daily deliverability.

(55) That the reasonable market demand for gas from a well is that well's fair share of the total market demand for gas from that pool that can be produced without waste.

(56) That gas is being produced from some wells in the subject pool in excess of the reasonable market demand for gas from those wells.

(57) That gas is being produced from some wells in the subject pool in an amount less than the reasonable market demand for gas from those wells.

(58) That gas is not being taken ratably from the various producers in the pool.

(59) That there are owners of property in the subject pool who are being denied the opportunity to produce without waste their just and equitable share of the gas in the pool.

(60) That there are owners of property in the subject pool that are producing more than their just and equitable share of the gas in the pool.

(61) That drainage is occurring between tracts in the pool which is not equalized by counter drainage.

(62) That the correlative rights of some producers in the pool are being violated.

(63) That waste is occurring in the subject pool.

(64) That in order to prevent waste and to ensure that all owners of property in the subject pool have the opportunity to produce their share of the gas, the subject pool should be prorated in order to limit the amount of gas to be recovered from each tract to the reasonable market demand for gas from that tract that can be produced without waste.

(65) That to ensure that each owner of property in the subject pool has the opportunity to produce that amount of gas that can be practicably obtained without waste substantially in the proportion that the recoverable gas under his tract bears to the total recoverable gas in the pool, the subject pool should be prorated in order to limit the amount of gas to be produced from the pool to the reasonable market demand and the capacity of the gas transportation facilities.

(66) That the subject pool has not been completely developed.

(67) That no cores of the Strawn formation are available in the South Carlsbad-Strawn Gas Pool.

(68) That there are logs available of said wells and that the logs indicate a marked and sometimes rapid variation between wells in thickness of pay, porosity, net effective feet of pay, and water saturation.

(69) That due to the above-described variations the effective feet of pay, porosity, and water saturation underlying each developed tract cannot be practically determined from the data available at the wellbore.

(70) That there are recoverable gas reserves underlying each of the developed 320-acre tracts within the horizontal limits of the subject pool; that there are 6 developed 320-acre tracts in the pool as defined by the Commission.

(71) That due to the nature of the reservoir the amount of recoverable gas under each producer's tract cannot be practically determined in the subject pool by a formula which considers effective feet of pay, porosity, and water saturation.

(72) That due to the nature of the reservoir the amount of recoverable gas under each producer's tract cannot be practically determined in the subject pool by a formula which considers only the deliverability of a well.

(73) That the amount of gas that can be practicably obtained without waste by the owner of each property in the subject pool substantially in the proportion that the recoverable gas under his tract bears to the total recoverable gas in the pool can be practically determined best by allocating the allowable production among the wells on the basis of developed tract acreage compared to total developed tract acreage in the pool.

(74) That considering the nature of the reservoir and the known extent of development, a proration formula based upon surface acreage will afford the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool so far as such can be practicably obtained without waste substantially in the proportion that the recoverable gas under such property bears to the total recoverable gas in the pool.

(75) That in order to prevent waste the total allowable production from each gas well producing from the subject pool should be limited to the reasonable market demand for gas from that well.

(76) That in order to prevent waste the total allowable production from all gas wells producing from the subject pool should be limited to the reasonable market demand for gas from the pool.

(77) That in order to prevent waste the total allowable production from gas wells in the subject pool should be limited to the capacity of the gas transportation system for the subject pool's share of said transportation facility.

(78) That considering the available reservoir information, a 100% surface acreage formula is presently the most reasonable basis for allocating the allowable production among the wells delivering to the gas transportation facilities.

(79) That in order to prevent drainage between tracts that is not equalized by counter drainage the allowable production from the pool should be prorated to the various producers upon a just and equitable basis.

(80) That the adoption of a 100% surface acreage formula for allocating the allowable production in the subject pool will, insofar as is presently practicable, prevent drainage between producing tracts which is not equalized by counter-drainage.

(81) That in order to ensure that each operator is afforded the opportunity to produce his property ratably with all other operators connected to the same gas transportation facility, allowable production from the pool should be prorated to the various producers upon a just and equitable basis.

(82) That the adoption of a 100% surface acreage formula for allocating the allowable production in the subject pool will, insofar as is presently practicable, allow each operator the opportunity to produce his property ratably with all other operators connected to the same transportation facility.

(83) That the subject pool should be governed by the General Rules and Regulations for the Prorated Gas Pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, insofar as said General Rules and Regulations are not inconsistent with this order or the Special Rules and Regulations for the subject pool promulgated by this order.

IT IS THEREFORE ORDERED:

(1) That the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, is hereby prorated, effective September 1, 1972.

(2) That the subject pool shall be governed by the General Rules and Regulations for the Prorated Gas Pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, insofar as said General Rules and Regulations are not inconsistent with this order or the Special Rules and Regulations for the subject pool as hereinafter set forth, in which event the Special Rules shall apply.

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH CARLSBAD-STRAWN GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2. Each well completed or recompleted in the South Carlsbad-Strawn Gas Pool shall be located no closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any governmental quarter-quarter section line.

RULE 5(A). Each well completed or recompleted in the South Carlsbad-Strawn Gas Pool shall be located on a standard proration unit consisting of any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Land Surveys. For purposes of these rules, a standard proration unit shall consist of 316 through 324 contiguous surface acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The allowable production in the South Carlsbad-Strawn Gas Pool shall be allocated as follows:

The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

C. GENERAL

RULE 25. The vertical limits of the South Carlsbad-Strawn Gas Pool shall be the Strawn formation.

RULE 26. The first proration period for the South Carlsbad-Strawn Gas Pool shall commence September 1, 1972, and shall terminate December 31, 1973. Subsequent proration periods shall be the twelve-month periods as provided in the General Rules.

IT IS FURTHER ORDERED:

(1) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, JR., Member & Secretary

S E A L

dr/

**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. 12306
Order No. R-11315*

**APPLICATION OF MEWBOURNE OIL COMPANY TO ABOLISH THE
SPECIAL RULES AND REGULATIONS FOR THE SOUTH CARLSBAD-
MORROW GAS POOL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 16, 1999, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of January, 2000, 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) By Order No. R-3731 dated April 18, 1969, the Division created the South Carlsbad-Morrow Gas Pool. This pool currently comprises portions of Township 22 South, Ranges 26 and 27 East, Township 23 South, Ranges 26 and 27 East, and Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.
- (3) The South Carlsbad-Morrow Gas Pool is currently a prorated gas pool subject to the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool, as promulgated by Division Order No. R-8170, as amended. The Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool currently require standard 320-acre gas spacing and proration units with wells to be located no closer than 1980 feet to the end boundary nor closer than 660 feet to the side boundary of the proration unit, nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.
- (4) The applicant, Mewbourne Oil Company (Mewbourne), seeks an order abolishing the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool so that the well location and infill well requirements of Division Rule 104 apply to this pool.

(5) The notice published for this case stated: "In the Absence of Objection, This Case Will Be Taken Under Advisement."

(6) Mewbourne Oil Company appeared at the hearing through legal counsel.

(7) The applicant sent notice of its application to all operators in the South Carlsbad-Morrow Gas Pool and to all operators within one mile of the outer boundary of the pool. No operator and/or interest owner appeared at the hearing in opposition to the application.

(8) There is currently no provision within the General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool prohibiting the drilling of an infill well on a standard 320-acre gas spacing and proration unit.

(9) Division records indicate that by Order No. R-10328, issued in Case No.11211 on March 27, 1995, the Oil Conservation Commission suspended gas prorationing in the South Carlsbad-Morrow Gas Pool because there were no non-marginal gas wells in the pool. This situation apparently has not changed and gas prorationing remains suspended at this time.

(10) Mewbourne's application in this case does not seek to change the status of the South Carlsbad-Morrow Gas Pool as a prorated gas pool, nor is there evidence in the record to support such action.

(11) By Order No. R-11231 issued in Case No. 12119 on August 12, 1999, the Oil Conservation Commission amended the well setback requirements for wells located within pools spaced on 320-acres in Southeast New Mexico, and not currently subject to special pool rules, to provide that:

- a) the initial well on a 320-acre unit shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section of the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and

- c) the Division-designated operator for the infill well is the same operator currently designated by the Division for the initial well.

(12) Approval of the application will provide greater flexibility to operators in the South Carlsbad-Morrow Gas Pool in locating wells so that additional gas reserves may be recovered, thereby preventing waste.

(13) The application of Mewbourne should be approved by abolishing the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool as contained within Division Order No. R-8170, as amended; provided however, the South Carlsbad-Morrow Gas Pool should remain a prorated gas pool subject to the General Rules for the Prorated Gas Pools of New Mexico.

IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool contained within Division Order No. R-8170, as amended, are hereby abolished.

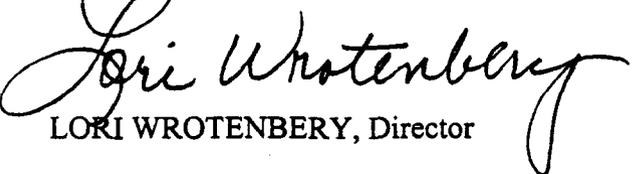
(2) The South Carlsbad-Morrow Gas Pool shall be governed by the spacing, well density and well setback requirements contained within Division Rule 104 as provided in Rule 2 (a) of the General Rules for the Prorated Gas Pools of New Mexico, contained within Division Order No. R-8170, as amended.

(3) The South Carlsbad-Morrow Gas Pool shall remain prorated and subject to the General Rules for the Prorated Gas Pools of New Mexico as contained within Division Order No. R-8170, as amended; provided however, pursuant to Division Order No. R-10328, gas prorationing within the South Carlsbad-Morrow Gas Pool shall remain suspended until further order of the Division.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY, Director

**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. 11211
ORDER NO. R-10328*

**GAS ALLOWABLES FOR THE PRORATED GAS POOLS IN NEW MEXICO FOR
APRIL THROUGH SEPTEMBER, 1995.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on February 23, 1995, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of March, 1995, the Commission, a quorum being present and having considered the testimony, the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) This hearing was called for the purpose of accepting nominations and other evidence and information to assist in determining April through September, 1995 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico, and the other four prorated gas pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico.

(3) Amendments to the Gas Proration Rules approved by the Commission Order No. R-8170-H in December, 1990 provide for allowables to be established for six month allocation periods beginning in April and October of each year.

(4) Average monthly allowables for April through September, 1995 for each pool should be based on the monthly average individual pool production for April through September, 1994, with administrative adjustments where appropriate.

(5) Production information for 1994 was not available because of delays in getting C-115 production information into the new system. Estimates based on 1993 data were therefore used as a basis for preliminary allowables. Producers, purchasers, and transporters of gas were asked to review these preliminary allowables and to participate in the February 23, 1995 hearing by providing information which would assist in arriving at the final allowable assignments.

(6) Chevron and Conoco presented evidence at the hearing to support the OCD recommended allowables for the prorated pools in Southeast New Mexico. Exxon and Oryx entered statements supporting the proposed allowables.

(7) Amoco submitted testimony at the hearing to support increased allowables for the Northwest New Mexico Pools. They requested the following monthly increases:

Basin Dakota - 10,000 MCF; Blanco Mesaverde - 535,491 MCF; Blanco P.C. South - 9,540 MCF; and Tapacito Pictured Cliffs - 2,509 MCF. Phillips entered a statement requesting essentially these same allowables for the Basin Dakota and Blanco Mesaverde Pools. Meridian submitted a statement supporting the OCD allowables but indicating no objection to increases proposed by others. The increases proposed by Amoco are in addition to the adjustments proposed by OCD.

(8) Testimony by OCD indicates that gas production in New Mexico continues at record levels in spite of low prices. Production was 1.4 TCF in 1994 and an estimated 1.55 TCF in 1995. This indicates there is sufficient demand for New Mexico gas to accommodate the proposed allowables.

(9) The allowable increases proposed by Amoco for the Northwest New Mexico Pools should be approved.

(10) OCD Exhibit No. 1 shows that there are currently no prorated wells in the Burton Flat Strawn; Carlsbad Morrow, South; Catclaw Draw Morrow; and Monument McKee Ellenburger Pools. This condition has existed for the last several years. Proration in these pools should therefore be suspended until such time as production data or other information indicates that the pools should be prorated.

IT IS THEREFORE ORDERED THAT:

(1) Exhibits "A" and "B" attached to and incorporated herein, including the increased allowables requested in Finding Paragraph No. (7) are adopted for the purpose of making allowable assignments for the prorated gas pools in New Mexico for the months of April through September, 1995.

(2) The Oil Conservation Division is hereby directed to prepare proration schedules for the April through September, 1995 allocation period in accordance with this order and other Division Rules, Regulations and Orders. Copies of this order shall be included in each proration schedule.

(3) Proration is hereby suspended in the Burton Flat Strawn; Carlsbad Morrow, South; Catclaw Draw Morrow; and Monument McKee Ellenburger Pools until such time as production data or other information indicates the pools should again be prorated.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

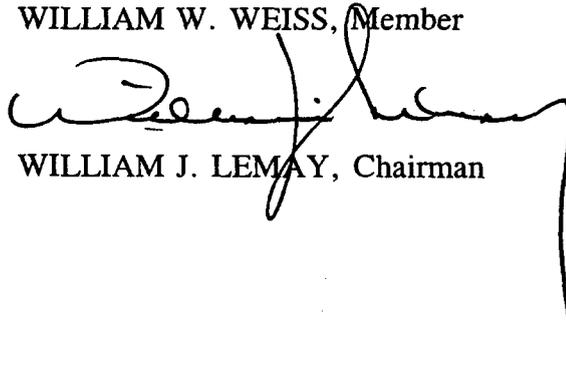
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



GARY CARLSON, Member



WILLIAM W. WEISS, Member



WILLIAM J. LEMAY, Chairman

S E A L

CASE NO. 11211

ORDER NO. R-10328

EXHIBIT "B"

**OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
FOR APRIL 1995 THROUGH SEPTEMBER 1995**

POOL NAME	AVG MONTHLY POOL SALES APR93-SEP93	POOL ADJ	MONTHLY POOL ALLOWABLE APR-95-SEP95	MONTHLY MARGINAL POOL ALLOW- ABLE APR95-SEP95	MONTHLY NON- MARGINAL POOL ALLOW- ABLE APR95-SEP95	NUMBER OF NON- MARGINAL ACR. FACTORS	NUMBER OF NON-MARGINAL ACR.*DLV.	MONTHLY ACREAGE ALLOC. FACTOR	MONTHLY ACR.*DLV. FACTOR
Basin Dakota	9,548,540	108,958	9,657,498	9,377,498	280,000	15.05	7,978	11,163	14.04
Blanco Mesaverde	16,495,592	535,491	17,031,083	14,049,750	2,981,333	129.16	85,529	5,771	26.14
Blanco P.C. South	1,216,638	39,353	1,255,991	1,106,658	149,333	84.80	3,974	440	28.18
Capacito Pictured Cliffs	326,656	2,509	329,165	314,232	14,933	8.00	566	467	19.79

*All Gas Volumes Shown in MCF

OIL CONSERVATION DIVISION
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
 FOR APRIL 1995 THROUGH SEPTEMBER 1995

POOL NAME	AVG MONTHLY POOL SALES APR93-SEP93	POOL ADJUSTMENTS	MONTHLY POOL ALLOWABLE APR95-SEP95	MONTHLY MARGINAL POOL ALLOWABLE APR95-SEP95	MONTHLY NON-MARGINAL POOL ALLOWABLE APR95-SEP95	NUMBER OF NON-MARGINAL ACR. FACTORS	MONTHLY ACREAGE ALLOC. FACTOR
oka Penn	106,172	930	107,102	59,102	48,000	2.00	24,000
nebery Oil and Gas	564,643	13,880	578,523	450,873	127,650	3.00	42,550
Flalo Valley Penn	293,780	188	293,968	260,968	33,000	1.00	33,000
mont Yates 7 Rivers Qn	2,563,744	451,241	3,014,985	2,156,185	858,800	22.60	38,000
Ilan Basin Morrow	62,700	531	63,231	47,231	16,000	1.00	16,000
Ilan Basin Upper Penn	3,722,866	183,172	3,906,038	2,934,038	972,000	4.86	200,000
mat Tansill YT 7 Rivers	1,029,426	22,196	1,051,622	973,847	77,775	4.25	18,300
itis Glorieta	48,401	51,631	100,032	26,832	73,200	4.00	18,300
bb Oil and Gas	293,367	28,378	321,745	203,620	118,125	8.75	13,500

All Gas Volumes Shown in MCF