



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 19, 1990

BHP Petroleum (Americas), Inc.
c/o James Bruce
500 Marquette, NW
Suite 800
Albuquerque, NM 87102-2121

Administrative Order NSL-2942

Dear Mr. Bruce:

Reference is made to your application on behalf of BHP Petroleum, Inc. dated October 5, 1990 for a non-standard gas well location to be drilled 660 feet from the North line and 990 feet from the West line (Unit D) of Section 24, Township 8 South, Range 27 East, NMPM, to test the Ordovician formation, Chaves County, New Mexico. The N/2 of said Section 24 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104F(II) the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia

+ 51

Submit 3 Copies to Appropriate District Office

OIL CONSERVATION DIVISION
REC: Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED
OCT 16 1992

O. C. D.
ARTESIA OFFICE

WELL API NO.
30-005-62911

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
VB-427

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.)

7. Lease Name or Unit Agreement Name

1. Type of Well:
OIL WELL GAS WELL OTHER

Hanlad AKZ State

2. Name of Operator
YATES PETROLEUM CORPORATION ✓

8. Well No.
2

3. Address of Operator
105 South 4th St., Artesia, NM 88210

9. Pool name or Wildcat
Wildcat Ordivician

4. Well Location
Unit Letter M : 330 Feet From The South Line and 1225 Feet From The West Line
Section 13 Township 8S Range 27E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3943' GR

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 checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input 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.

Spudded 17-1/2" hole 9:00 AM 10-5-92. Ran 9 joints 13-3/8" 54.5# J-55 casing set 371'. Guide shoe set 371', insert float set 331'. Cemented w/350 sx "C" with 2% CaCl2 and 1/4#/sx Celloseal (yield 1.33, wt 14.8). PD 11:30 PM 10-5-92. Bumped plug to 250 psi, held OK. Circulated 65 sacks. WOC. *Press Test 1000* Drilled out 1:45 PM 9-6-92. WOC 14 hours and 15 minutes. Cut off and weld on flow nipple. Resumed drilling 12-1/4" hole. NOTE: Notified NMOCD, Artesia, NM, did not witness. TD 12-1/4" hole 2:45 PM 10-8-92. Ran 39 joints 8-5/8" 24# J-55 casing set 1630'. Guide shoe set 1630', Float collar set 1588'. Cemented w/550 sx PSL "C" with 5#/Salt + 1/4#/sx Celloseal (yield 1.98, wt 12.5). Tailed in w/200 sx "C" with 2% CaCl2 (yield 1.32, wt 14.5). PD 8:00 PM 10-8-92. Bumped plug to 900 psi, float held OK. Cement did not circulate. WOC. Drilled out 2:00 PM 10-9-92. WOC 18 hours. Reduced hole to 7-7/8" and resumed drilling. *Press Test 1000*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Juanita Goqdlett TITLE Production Supervisor DATE 10-12-92
TYPE OR PRINT NAME Juanita Goqdlett TELEPHONE NO. 505/748-1471

(This space for State Use)
APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE OCT 22 1992
CONDITIONS OF APPROVAL, IF ANY:

57

Submit 3 Copies to Appropriate District Office

OIL CONSERVATION DIVISION RECEIVED

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

RECEIVED

OCT 1 1992

WELL API NO. 30-005-62911

5. Indicate Type of Lease STATE FEE

6. State Oil & Gas Lease No. VB-427

7. Lease Name or Unit Agreement Name Hanlad "AKZ" State

8. Well No. 2

9. Pool name or Wildcat Ordivicain Wildcat

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

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator Yates Petroleum Corporation

3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210

4. Well Location Unit Letter M : 330 Feet From The South Line and 1225 Feet From The West Line Section 13 Township 8 South Range 27 East NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6900'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK, TEMPORARILY ABANDON, PULL OR ALTER CASING, OTHER: Correct Township. SUBSEQUENT REPORT OF: REMEDIAL WORK, ALTERING CASING, COMMENCE DRILLING OPNS., PLUG AND ABANDONMENT, CASING TEST AND CEMENT JOB, OTHER.

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.

The Application to Drill for the above captioned well was submitted in Township 9 South, the correct location should be in Township 8 South

Thank you.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Clifton R. May TITLE Permit Agent DATE 9-30-92 TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use) APPROVED BY Mike Williams TITLE SUPERVISOR, DISTRICT II DATE OCT 1 1992

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
30-005-62911

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
VB-427

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL RE-ENTER DEEPEN PLUG BACK
b. Type of Well:
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia, New Mexico 88210

4. Well Location
Unit Letter M : 330 Feet From The South Line and 1225 Feet From The West Line
Section 13 Township 9 South Range 27 East NMPM Chaves County

10. Proposed Depth 6900'
11. Formation Ordovician
12. Rotary or C.T. Rotary

13. Elevations (Show whether DF, RT, GR, etc.) 3943' GR
14. Kind & Status Plug. Bond Blanket
15. Drilling Contractor Undesignated
16. Approx. Date Work will start ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5# J-55	350'	400 sacks	Circulate
12 1/4"	*8 5/8"	24# J-55	Approx. 1600'	800 sacks	Tie-Back
7 7/8"	5 1/2"	15.5# J-55	TD	300 sacks	As warranted

*8 5/8" casing will be set at 1600' if problems are encountered. If not, the hole size will be reduced to 7 7/8" at 1600'.

Yates Petroleum Corporation proposes to drill and test the Ordovician and intermediate formations. Approximately 350' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1600'; brine to 4750'; MF55/Starch to TD.

BOP PROGRAM: BOPE will be installed at the offset and tested daily.

GAS NOT DEDICATED

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3/24/93
UNLESS DRILLING UNDERWAY

Order R-9721 9-16-92 Unorthodox Gas Well Location

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 9-24-92
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE SEP 24 1992

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

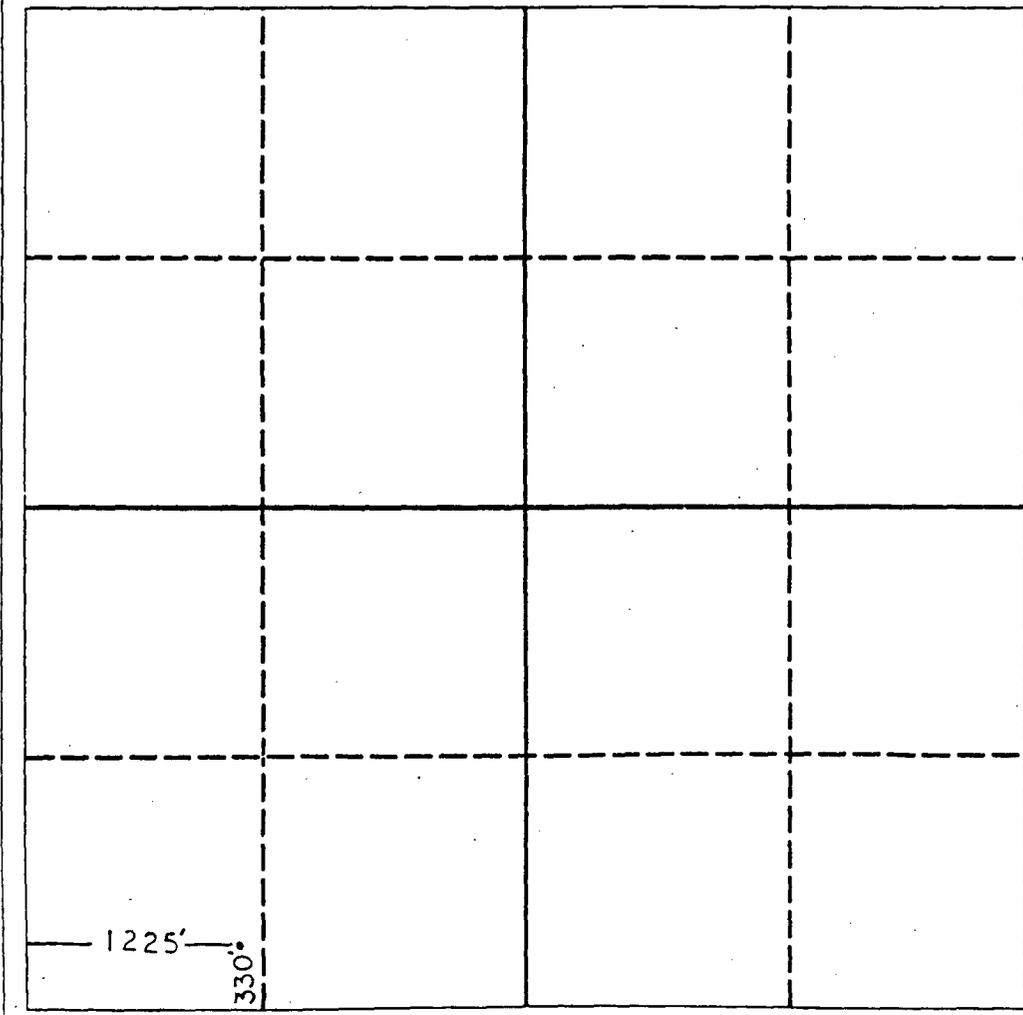
Operator YATES PETROLEUM CORPORATION			Lease HANLAD "AKZ" STATE		Well No. 2
Unit Letter M	Section 13	Township 8 SOUTH	Range 27 EAST	County CHAVES	
Actual Footage Location of Well: 330 feet from the SOUTH line and 1225 feet from the WEST line					
Ground level Elev. 3943'	Producing Formation ORDOVICIAN		Pool WILDCAT ORDOVICIAN	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, 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.

Signature
Clifton R. May

Printed Name
Clifton R. May

Position
Permit Agent

Company
Yates Petroleum Corporati

Date
September 24, 1992

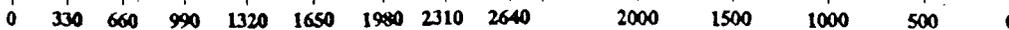
SURVEYOR CERTIFICATION

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 knowledge and belief.

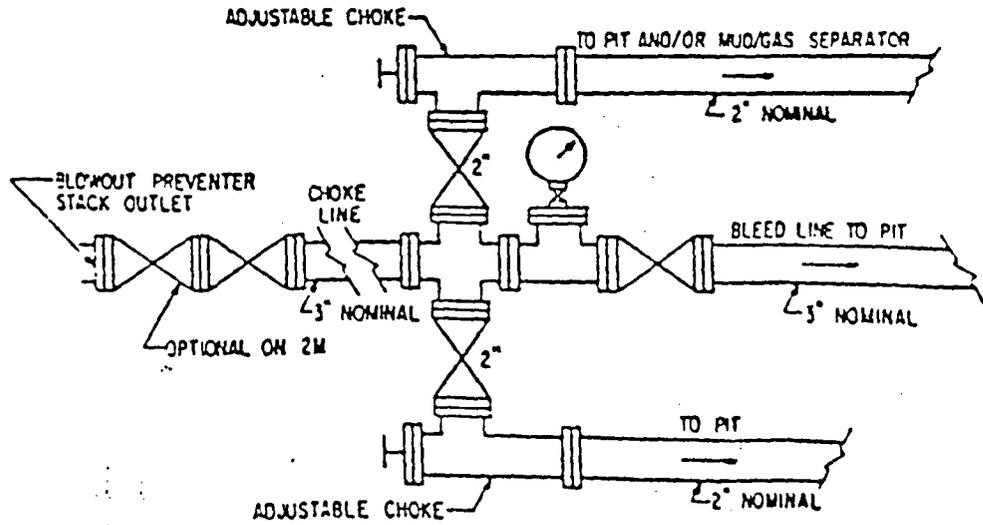
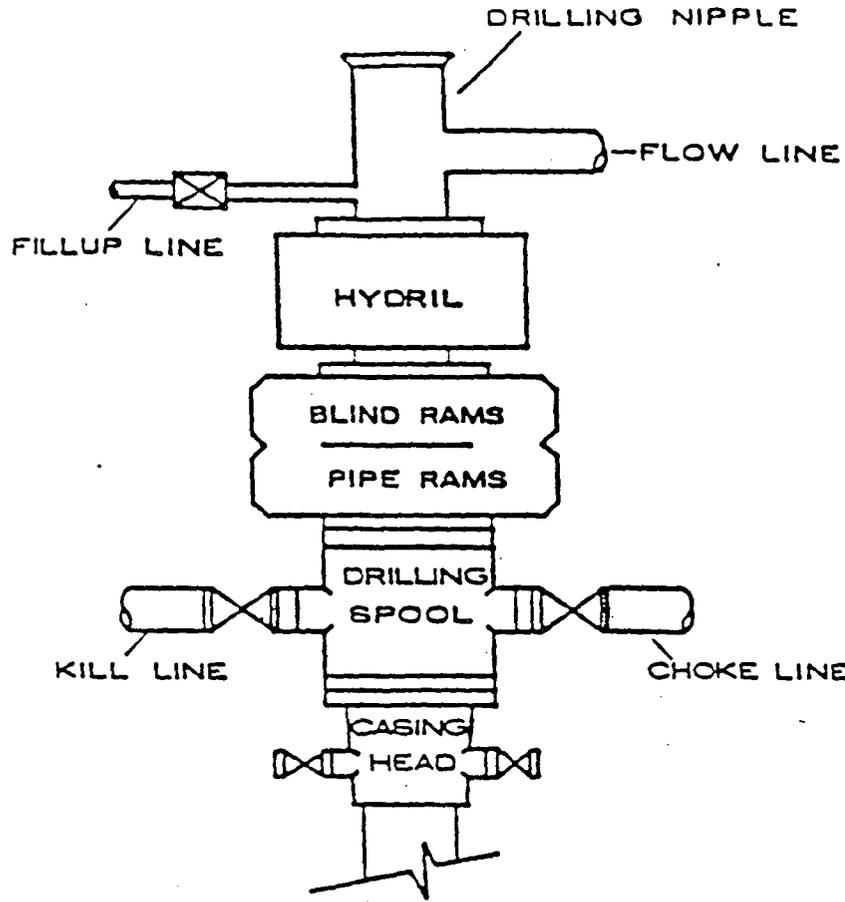
Date Surveyed
9/23/92

Signature & Seal of Professional Surveyor
Herschel L. Jones

Certificate No. 3540



BOP STACK



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. 10591
Order No. R-9771

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 5, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of November, 1992, 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 Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of North Avalon-Bone Spring Pool. Said North Avalon-Bone Spring Pool was discovered by the Abo Petroleum Corporation Lario Federal Well No. 1 located in Unit F of Section 20, Township 20 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on August 3, 1992. The top of the perforations is at 6075 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of North Black River-Wolfcamp Pool. Said North Black River-Wolfcamp Pool was discovered by the BTA Oil Producers Crystal 9105 JV-P Well No. 1 located in Unit O of Section 4, Township 24 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on May 5, 1992. The top of the perforations is at 8875 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Upper Pennsylvanian formation, said pool to bear the designation of

East Dagger Draw-Upper Pennsylvanian Pool. Said East Dagger Draw-Upper Pennsylvanian Pool was discovered by the Nearburg Production Company South Boyd Well No. 1 located in Unit F of Section 27, Township 19 South, Range 25 East, NMPM. It was completed in the Upper Pennsylvanian formation on August 28, 1992. The top of the perforations is at 7712 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of West Dagger Draw-San Andres Pool. Said West Dagger Draw-San Andres Pool was discovered by the Yates Petroleum Corporation Mimosa AHS Federal Well No. 5 located in Unit H of Section 5, Township 20 South, Range 24 East, NMPM. It was completed in the San Andres formation on June 11, 1992. The top of the perforations is at 1305 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Dayton-Strawn Gas Pool. Said Dayton-Strawn Gas Pool was discovered by the Yates Petroleum Corporation West Dayton AJR State Com Well No. 1 located in Unit N of Section 16, Township 18 South, Range 26 East, NMPM. It was completed in the Strawn formation on August 10, 1992. The top of the perforations is at 8220 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Indian Flats-Wolfcamp Gas Pool. Said Indian Flats-Wolfcamp Gas Pool was discovered by the Bass Enterprises Production Company Big Eddy Well No. 93 located in Unit K of Section 36, Township 21 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on August 6, 1992. The top of the perforations is at 10,428 feet.

(8) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Southwest Lone Wolf-Devonian Pool. Said Southwest Lone Wolf-Devonian Pool was discovered by the Rachael Exploration Corporation Rachael 29 Federal Well No. 1 located in Unit F of Section 29, Township 13 South, Range 29 East, NMPM. It was completed in the Devonian formation on August 6, 1992. The top of the perforations is at 9564 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Brushy Canyon formation, said pool to bear the designation of Nash Draw-Brushy Canyon Pool. Said Nash Draw-Brushy Canyon Pool was discovered by the Strata Production Company Nash Draw Unit Well No. 9 located in Unit B of Section 13, Township 23 South, Range 29 East, NMPM. It was completed in the Brushy Canyon formation on June 26, 1992. The top of the perforations is at 6713 feet.

(10) There is need for the creation of a new pool in Chaves County, New Mexico, pursuant to the provisions of Division Order No. R-9721, for the production of gas from the Siluro-Ordovician formation, said pool to bear the designation of Palma Mesa Siluro-Ordovician Gas Pool. Said Palma Mesa Siluro-Ordovician Gas Pool was discovered by the BHP Petroleum (Americas) Inc. Puffer State Well No. 1 located in Unit D of Section 24, Township 8 South, Range 27 East, NMPM. It was completed in the Siluro-Ordovician formation on March 5, 1991. The top of the perforations is at 6371 feet.

(11) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Northwest Pecos Slope-Abo Gas Pool. Said Northwest Pecos Slope-Abo Gas Pool was discovered by the McKay Oil Corporation April State Unit Well No. 1 located in Unit D of Section 4, Township 4 South, Range 20 East, NMPM. It was completed in the Abo formation on July 1, 1992. The top of the perforations is at 2514 feet.

(12) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of North Poker Lake-Delaware Pool. Said North Poker Lake-Delaware Pool was discovered by the Bettis, Boyle and Stovall Cactus 16 State Well No. 1 located in Unit C of Section 16, Township 24 South, Range 31 East, NMPM. It was completed in the Delaware formation on July 17, 1992. The top of the perforations is at 8053 feet.

(13) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of East Red Lake-Upper Pennsylvanian Gas Pool. Said East Red Lake-Upper Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Chalk AKH Federal Com Well No. 1 located in Unit I of Section 22, Township 18 South, Range 27 East, NMPM. It was completed in the Upper Pennsylvanian formation on July 20, 1992. The top of the perforations is at 7662 feet.

(14) There is need for certain extensions to the Dog Canyon-Wolfcamp Pool, the East Herradura Bend-Delaware Pool, the West Sand Dunes-Atoka Gas Pool, the West Sand Dunes-Delaware Pool, and the Willow Lake-Delaware Pool, all in Eddy County, New Mexico, and the South Lone Wolf-Devonian Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the North Avalon-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 20: NW/4

(b) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Black River-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 4: SE/4

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production is hereby created and designated as the East Dagger Draw-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 27: NW/4

(d) A new pool in Eddy County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the West Dagger Draw-San Andres Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 5: NE/4

(e) A new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the Dayton-Strawn Gas Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 16: S/2

(f) A new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Indian Flats-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 36: S/2

(g) A new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Southwest Lone Wolf-Devonian Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 29 EAST, NMPM

Section 29: NW/4

(h) A new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production is hereby created and designated as the Nash Draw-Brushy Canyon Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 13: NE/4

(i) A new pool in Chaves County, New Mexico, classified as a gas pool for Siluro-Ordovician production is hereby created pursuant to the provisions of Division Order No. R-9721 and designated as the Palma Mesa Siluro-Ordovician Gas Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 24: N/2

(j) A new pool in Chaves County, New Mexico, classified as a gas pool for Abo production is hereby created and designated as the Northwest Pecos Slope-Abo Gas Pool, consisting of the following described area:

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

(k) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the North Poker Lake-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 16: NW/4

(l) A new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the East Red Lake-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: E/2

(m) The Dog Canyon-Wolfcamp Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 30: N/2

(n) The East Herradura Bend-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 3: NE/4

(o) The South Lone Wolf-Devonian Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 29 EAST, NMPM
Section 33: N/2

(p) The West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 9: N/2 and SW/4

(q) The West Sand Dunes-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 32: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 32: W/2

IT IS FURTHER ORDERED THAT:

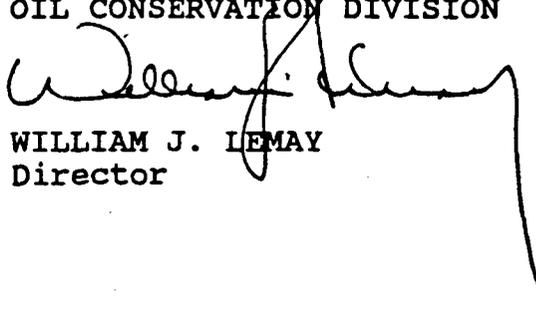
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations and extensions included herein shall be December 1, 1992.

Case No. 10591
Order No. R-9771
-7-

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

fd/