

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. 13727
Order No. R-12574

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 8, 2006, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 23rd day of June, 2006, 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) There is need for certain extensions to the West Bubbling Spring-Morrow Gas Pool, the East Burton Flat-Morrow Gas Pool, the East Carlsbad-Morrow Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Chosa Draw-Morrow Gas Pool, the Northeast Collins Ranch-Wolfcamp Gas Pool, the Cottonwood Creek-Wolfcamp Gas Pool, the West Cottonwood Creek-Wolfcamp Gas Pool, the West Forty Niner Ridge-Bone Spring Pool, the Golden Lane-Morrow Gas Pool, the Laguna Salado-Atoka Gas Pool, the Loco Hills-Bone Spring Pool, the East Pierce Crossing-Bone Spring Pool, the Northeast Red Lake-Glorieta-Yeso Pool, and the Red Lake-Queen-Grayburg-San Andres Pool, all in Eddy County, New Mexico; and the Rock Schoolhouse-Wolfcamp Gas Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The West Bubbling Spring-Morrow Gas Pool (**Pool Code 72960**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 35: E/2

(b) The East Burton Flat-Morrow Gas Pool (**Pool Code 73320**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 36: E/2

(c) The East Carlsbad-Morrow Gas Pool (**Pool Code 73920**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

(d) The South Carlsbad-Morrow Gas Pool (**Pool Code 73960**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 13: All

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 18: N/2

(e) The Cemetery-Morrow Gas Pool (**Pool Code 74640**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 2: E/2

(f) The Chosa Draw-Morrow Gas Pool (**Pool Code 74900**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 5: S/2

(g) The Northeast Collins Ranch-Wolfcamp Gas Pool (**Pool Code 96623**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 7: All

(h) The Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75250**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 6: All

(i) The West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 24 EAST, NMPM
Section 12: E/2

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM
Section 7: All

(j) The West Forty Niner Ridge-Bone Spring Pool (**Pool Code 96526**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 19: SE/4

(k) The Golden Lane-Morrow Gas Pool (**Pool Code 77560**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 35: All

(l) The Laguna Salado-Atoka Gas Pool (**Pool Code 79860**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 16: E/2

(m) The Loco Hills-Bone Spring Pool (**Pool Code 39510**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 33: S/2
Section 34: SW/4

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2

(n) The East Pierce Crossing-Bone Spring Pool (**Pool Code 96473**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 22: NE/4

(o) The Northeast Red Lake-Glorieta-Yeso Pool (**Pool Code 96836**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 1: SW/4

(p) The Red Lake-Queen-Grayburg-San Andres Pool (**Pool Code 51300**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 2: SE/4

(q) The Rock Schoolhouse-Wolfcamp Gas Pool (**Pool Code 97112**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 19: NE/4

Section 20: N/2

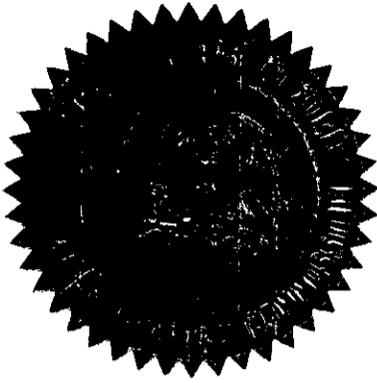
Section 21: N/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all extensions included herein shall be July 1, 2006.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire'.

MARK E. FESMIRE, P.E.
Director