

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. 13168
Order No. R-12046

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 9, 2003, at Santa Fe, New Mexico, before Examiner David R. **Catanach**.

NOW, on this 3rd day of November, 2003, 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 the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Northeast Alston Ranch-Morrow Gas Pool (Pool Code 97274). The Northeast Alston Ranch-Morrow Gas Pool was discovered by the Ensign Operating Company Key 20 Well No. 1 (API No. 30-025-36140) located in Unit H of Section 20, Township 13 South, Range 35 East, **NMPM**, which was completed in the Morrow formation on May 21, 2003. The top of the perforations is at 13,320 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Northwest Eight Mile Draw-Morrow Gas Pool (Pool Code 97190). The Northwest Eight Mile Draw-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Blitzen **AUB** State Well No. 2 (API No. 30-025-34859)

located in Unit P of Section 16, Township 11 South, Range 34 East, NMPM, which was completed in the Morrow formation on December 29, 2000. The top of the perforations is at 12,058 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Southeast Greenwood-Morrow Gas Pool (Pool Code 97224). The Southeast Greenwood-Morrow Gas Pool was discovered by the **Marbob** Energy Corporation Tres **Elo** Federal Well No. 1 (API No. 30-025-35750) located in Unit A of Section 31, Township 19 South, Range 32 East, NMPM, which was completed in the Morrow formation on September 27, 2002. The top of the perforations is at 12,048 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico for the production of oil from the **Wolfcamp** formation, bearing the designation of Little Lucky **Lake-Wolfcamp** Pool (Pool Code 97247). The Little Lucky **Lake-Wolfcamp** Pool was discovered by the **Nadel & Gussman** Permian LLC Mia Michelle State Com. Well No. 1 (API No. 30-005-21175) located in Unit A of Section 32, Township 15 South, Range 30 East, NMPM, which was completed in the Wolfcamp formation on November 16, 2002. The top of the perforations is at 8,470 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Yeso formation, bearing the designation of Northwest **Monument-Yeso** Pool (Pool Code 97089). The Northwest **Monument-Yeso** Pool was discovered by the Amerada Hess Corporation W A Weir Well No. 15 (API No. 30-025-34005) located in Unit O of Section 26, Township 19 South, Range 36 East, NMPM, which was completed in the Yeso formation on April 16, 2001. The top of the perforations is at 6,658 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the **Blinebry** formation, bearing the designation of East **Nadine-Blinebry** Pool (Pool Code 97246). The East **Nadine-Blinebry** Pool was discovered by the Trilogy Operating Inc. Topaz Well No. 1 (API No. 30-025-35906) located in Unit C of Section 25, Township 19 South, Range 38 East, NMPM, which was completed in the Blinebry formation on November 20, 2002. The top of the perforations is at 6,046 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Austin formation, bearing the designation of South Ranger **Lake-Austin** Gas Pool (Pool Code 97231). The South Ranger Lake-Austin Gas Pool was discovered by the Yates Petroleum Corporation Mocha State Unit Well No. 1 (API No. 30-025-35761) located in Unit C of Section 2, Township 13 South, Range 34 East, NMPM, which was completed in the Austin formation on June 16, 2003. The top of the perforations is at 12,393 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of South Ranger Lake-Morrow Gas Pool (Pool Code 97230). The South Ranger Lake-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Mocha State Unit Well No. 1 (API No. 30-025-35761) located in Unit C of Section 2, Township 13 South, Range 34 East, NMPM, which was completed in the Morrow formation on May 7, 2003. The top of the perforations is at 12,290 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Abo formation, bearing the designation of Northwest Teague-Abo Pool (Pool Code 97249). The Northwest Teague-Abo Pool was discovered by the Mack Energy Corporation Sapphire State Well No. 1 (API No. 30-025-35979) located in Unit L of Section 11, Township 23 South, Range 36 East, NMPM, which was completed in the Abo formation on November 14, 2002. The top of the perforations is at 7,526 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of Northwest Young-Morrow Gas Pool (Pool Code 97185). The Northwest Young-Morrow Gas Pool was discovered by the Harvey E. Yates Company Pearsall 6 Federal Well No. 1 (API No. 30-025-35680) located in Unit F of Section 6, Township 18 South, Range 32 East, NMPM, which was completed in the Morrow formation on February 18, 2002. The top of the perforations is at 12,628 feet.

(12) There is need for extensions to the North Baish-Wolfcamp Pool, the Baish-Yates Pool, the South Big Dog-Strawn Pool, the Blinebry Oil and Gas Pool, the South Corbin-Bone Spring Pool, the West Corbin-Delaware Pool, the Dollarhide-Tubb-Drinkard Pool, the Four Lakes-Mississippian Gas Pool, the North Hardy-Tubb-Drinkard Pool, the High Plains-Permo-Upper Pennsylvanian Pool, the Hobbs-Tubb Gas Pool, the House-Abo Pool, the Kemnitz-Lower Wolfcamp Pool, the West La Rica-Morrow Gas Pool, the East Livingston Ridge-Delaware Pool, the Southeast Livingston Ridge-Delaware Pool, the North Lusk-Morrow Gas Pool, the Maljamar-Abo Pool, the Maljamar-Cisco Pool, the South Midway-Strawn Pool, the Monument-Paddock Pool, the Monument-Tubb Pool, the Morton-Mississippian Gas Pool, the Nadine-Drinkard-Abo Pool, the West Nadine-Tubb Pool, the West Ojo Chiso-Morrow Gas Pool, the Southwest Osudo-Atoka Gas Pool, the Osudo-Morrow Gas Pool, the South Osudo-Morrow Gas Pool, the Pearsall-Queen Pool, the Penrose Skelly-Grayburg Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the Sand Springs-Atoka-Morrow Gas Pool, the Sand Springs-Devonian Pool, the Sanmal-Pennsylvanian Pool, the East Shoe Bar-Chester Gas Pool, the Skaggs-Drinkard Pool, the Sombrero-Morrow Gas Pool, the North Teague-San Andres Pool, the East Teas-Bone Spring Pool, the Tonto-Seven Rivers Pool, the Townsend-Mississippian Gas Pool, the Trinity-Wolfcamp Pool, the Tulk-Wolfcamp Pool, the North Vacuum-Abo Pool, the Vacuum-Morrow Gas Pool, the Wantz-Abo Pool, the Warren-Tubb Gas Pool, the Weir-Blinebry Pool, the Weir-Drinkard Pool, the Wilson-Morrow Gas Pool, and the X-4 Ranch-Morrow Gas Pool, all in Lea

County, New Mexico; and the **Bluitt-San Andres** Associated Pool in Roosevelt County, New Mexico.

(13) The effective date of this order and all creations and extensions included herein should be November 1, 2003.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Northeast Alston Ranch-Morrow Gas Pool (Pool Code 97274), consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 20: E/2

(b) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Northwest Eight Mile Draw-Morrow Gas Pool (Pool Code 97190), consisting of the following described area:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 16: S/2

(c) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Southeast Greenwood-Morrow Gas Pool (Pool Code 97224), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 31: N/2

(d) A new pool in Chaves County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Little Lucky Lake-Wolfcamp Pool (Pool Code 97247), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 32: NE/4

(e) A new pool in Lea County, New Mexico classified as an oil pool for Yeso production is hereby created and designated as the Northwest Monument-Yeso Pool (Pool Code 97089), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 26: SE/4

(f) A new pool in Lea County, New Mexico classified as an oil pool for Blinebry production is hereby created and designated as the East Nadine-Blinebry Pool (Pool Code 97246), consisting of the following described area:

TOWNSHIP 19 SOUTH. RANGE 38 EAST. NMPM
Section 25: NW/4

(g) A new pool in Lea County, New Mexico classified as a gas pool for Austin production is hereby created and designated as the South Ranger Lake-Austin Gas Pool (Pool Code 97231), consisting of the following described area:

TOWNSHIP 13 SOUTH. RANGE 34 EAST. NMPM
Section 2: N/2

(h) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the South Ranger Lake-Morrow Gas Pool (Pool Code 97230), consisting of the following described area:

TOWNSHIP 13 SOUTH. RANGE 34 EAST. NMPM
Section 2: N/2

(i) A new pool in Lea County, New Mexico classified as an oil pool for Abo production is hereby created and designated as the Northwest Teague-Abo Pool (Pool Code 97249), consisting of the following described area:

TOWNSHIP 23 SOUTH. RANGE 36 EAST. NMPM
Section 11: SW/4

(j) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Northwest Young-Morrow Gas Pool (Pool Code 97185), consisting of the following described area:

TOWNSHIP 18 SOUTH. RANGE 32 EAST. NMPM
Section 6: All

(k) The North Baish-Wolfcamp Pool (Pool Code 4500) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 32 EAST. NMPM
Section 10: SE/4

(l) The Baish-Yates Pool (Pool Code 4560) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 32 EAST. NMPM
Section 16: SE/4

(m) The South Big **Dog-Strawn** Pool (Pool Code 96690) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM
Section 12: SW/4

(n) The Blinebry Oil and Gas Pool (Pool Code - Oil 6660 - Gas 72480) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 37 EAST. NMPM
Section 26: W/2 SE/4 and SE/4 SE/4

(o) The **Bluitt-San Andres** Associated Pool (Pool Code 6880) in Roosevelt County, New Mexico is hereby extended to include:

TOWNSHIP 8 SOUTH. RANGE 37 EAST. NMPM
Section 8: S/2

(p) The South Corbin-Bone Spring Pool (Pool Code 13160) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 33 EAST. NMPM
Section 28: NE/4
Section 31: E/2

(q) The West **Corbin-Delaware** Pool (Pool Code 13195) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 33 EAST. NMPM
Section 21: SE/4
Section 28: NE/4

(r) The **Dollarhide-Tubb-Drinkard** Pool (Pool Code 18830) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH. RANGE 38 EAST. NMPM
Section 18: NE/4

(s) The Four **Lakes-Mississippian** Gas Pool (Pool Code 97053) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH. RANGE 35 EAST. NMPM
Section 5: S/2
Section 6: SE/4

(t) The North Hardy-Tubb-Drinkard Pool (**Pool** Code 96356) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 24: SE/4

(u) The High Plains-Permo-Upper Pennsylvanian Pool (Pool Code 31055) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

(v) The Hobbs-Tubb Gas Pool (Pool Code 96946) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 33: S/2

(w) The House-Abo Pool (Pool Code **33210**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 2: S/2

(x) The Kemnitz-Lower Wolfcamp Pool (**Pool** Code 35530) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 9: NW/4

(y) The West La Rica-Morrow Gas Pool (Pool Code 79830) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 31: E/2

(z) The East Livingston Ridge-Delaware Pool (Pool Code 39366) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

(aa) The Southeast Livingston Ridge-Delaware Pool (Pool Code 39380) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 32: NW/4

(bb) The North Lusk-Morrow Gas Pool (**Pool Code 80800**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 31: NW/4

(cc) The Maljamar-Abo Pool (**Pool Code 43250**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 10: SE/4

Section 15: NE/4

(dd) The Maljamar-Cisco Pool (**Pool Code 43270**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 5: E/2

Section 8: NE/4

Section 9: NW/4

(ee) The South Midway-Strawn Pool (**Pool Code 96346**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 20: SE/4

(ff) The Monument-Paddock Pool (**Pool Code 47080**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 3: NW/4

Section 4: N/2

(gg) The Monument-Tubb Pool (**Pool Code 47090**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 5: NW/4

(hh) The Morton-Mississippian Gas Pool (**Pool Code 96593**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 14 SOUTH. RANGE 35 EAST. NMPM

Section 32: SE/4
Section 33: S/2
Section 34: W/2

(ii) The Nadine-Drinkard-Abo Pool (Pool Code 47510) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 38 EAST. NMPM

Section 24: NW/4
Section 27: SW/4
Section 33: NE/4
Section 34: NW/4

(jj) The West Nadine-Tubb Pool (Pool Code 47530) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH. RANGE 38 EAST. NMPM

Section 18: E/2
Section 19: NE/4

(kk) The West Ojo Chiso-Morrow Gas Pool (Pool Code 96665) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 34 EAST. NMPM

Section 31: E/2

(ll) The Southwest Osudo-Atoka Gas Pool (Pool Code 97106) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 34 EAST. NMPM

Section 1: Lots 9, 10, 11, 12, 13, 14, 15 and 16

(mm) The Osudo-Morrow Gas Pool (Pool Code 82120) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 35 EAST. NMPM

Section 7: W/2

(nn) The South Osudo-Morrow Gas Pool (Pool Code 82200) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 35 EAST. NMPM

Section 21: E/2

(oo) The **Pearsall-Queen Pool (Pool Code 49970)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4

(pp) The **Penrose Skelly-Grayburg Pool (Pool Code 50350)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4
Section 15: NE/4

(qq) The **Red Tank-Bone Spring Pool (Pool Code 51683)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4

(rr) The **East Red Tank-Bone Spring Pool (Pool Code 51687)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 18: SE/4
Section 19: NE/4

(ss) The **Sand Springs-Atoka-Morrow Gas Pool (Pool Code 84871)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 5: All
Section 6: S/2

(tt) The **Sand Springs-Devonian Pool (Pool Code 54150)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 11: NW/4

(uu) The **Sanmal-Pennsylvanian Pool (Pool Code 54340)** in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 3: SE/4
Section 10: NE/4

(vv) The East Shoe Bar-Chester Gas Pool (**Pool Code 85213**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 31: W/2 and NE/4

(ww) The Skaggs-Drinkard Pool (**Pool Code 57000**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SW/4

(xx) The Sombrero-Morrow Gas Pool (**Pool Code 85620**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 2: S/2

(yy) The North Teague-San Andres Pool (**Pool Code 96197**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4

(zz) The East Teas-Bone Spring Pool (**Pool Code 96637**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 7: SE/4
Section 8: SW/4

(aaa) The Tonto-Seven Rivers Pool (**Pool Code 59470**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 15: NW/4

(bbb) The Townsend-Mississippian Gas Pool (**Pool Code 86380**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2
Section 21: W/2

(ccc) The Trinity-Wolfcamp Pool (**Pool Code 59890**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 22: NE/4 and SW/4

(ddd) The Tulk-Wolfcamp Pool (**Pool Code 60420**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 10: SW/4

(eee) The North Vacuum-Abo Pool (**Pool Code 61760**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 31: SW/4

(fff) The Vacuum-Morrow Gas Pool (**Pool Code 86840**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 36: S/2

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 31: S/2

(ggg) The Wantz-Abo Pool (**Pool Code 62700**) in Lea County, New Mexico is hereby extended to include:

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

(hhh) The Warren-Tubb Gas Pool (**Pool Code 87080**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

(iii) The Weir-Blinebry Pool (**Pool Code 63780**) in Lea County, New Mexico is hereby extended to include:

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

(Gjj) The Weir-Drinkard Pool (**Pool Code 63840**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 14: SW/4

(kkk) The Wilson-Morrow Gas Pool (Pool Code 87460) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 11: N/2

(111) The X-4 Ranch-Morrow Gas Pool (Pool Code 97049) in Lea County, New Mexico is hereby extended to include:

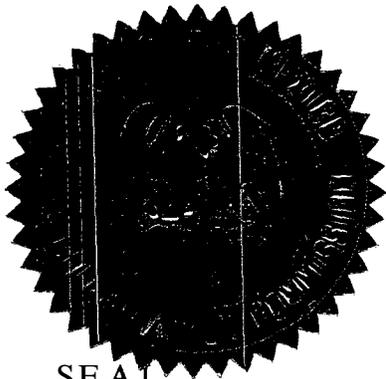
TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 3: S/2

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 creations and extensions included herein shall be November 1, 2003.

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 cursive script that reads "Lori Wrottenbery".

LORI WROTENBERY
Director