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. 13191
Order No. R-12075

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
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 December 4, 2003, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of December, 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 Chaves County, New Mexico for the production of gas from the Siluro-Devonian formation, bearing the designation of Acme-Pre-Permian Gas Pool (Pool Code 97311). The discovery well is the Elk Oil Company Miller State Well No. 1 (API No. 30-005-63538) located in Unit N of Section 2, Township 8 South, Range 27 East, NMPM, which was completed in the Siluro-Devonian formation on October 16, 2003. The top of the perforations is at 6,575 feet.

(3)   There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation, bearing the designation of Crow Flats-Atoka Gas Pool (Pool Code 97312). The discovery well is the Fasken & Stevens, Inc. Logan Draw "6" Federal Well No. 1 (API No. 30-015-32798) located in Unit L of Section 6, Township 17 South, Range 28 East, NMPM, which was

completed in the Atoka formation on September 4, 2003. The top of the perforations is at 9,150 feet.

(4)   There is need for extensions to the Black River-Morrow Gas Pool, the South Carlsbad-Morrow Gas Pool, the Southeast Henshaw-Wolfcamp Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the East Indian Draw-Delaware Pool, the Ingle Wells-Delaware Pool, the North McMillan-Morrow Gas Pool, and the Runyan Ranch-Morrow Gas Pool, all in Eddy County, New Mexico; and the Foor Ranch-Pre-Permian Gas Pool and the Foor Ranch-Wolfcamp Gas Pool, both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a)   A new pool in Chaves County, New Mexico classified as a gas pool for Pre-Permian production is hereby created and designated as the Acme-Pre-Permian Gas Pool (Pool Code 97311), consisting of the following described area:

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

(b)   A new pool in Eddy County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the Crow Flats-Atoka Gas Pool (Pool Code 97312), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 6:   W/2

(c)   The Black River-Morrow Gas Pool (Pool Code 72170) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 35:   E/2

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 6:   N/2

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 3:   SE/4
Section 10:   E/2

(e)   The Foor Ranch-Pre-Permian Gas Pool (Pool Code 76730) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 8:   N/2

TOWNSHIP 10 SOUTH, RANGE 26 EAST. NMPM
Section 16:   W/2
Section 21:   W/2

(f)   The **Foor Ranch-Wolfcamp** Gas Pool (Pool Code 76750) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH. RANGE 27 EAST. NMPM
Section 6:   N/2

(g)   The Southeast **Henshaw-Wolfcamp** Pool (Pool Code 96520) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 31 EAST. NMPM
Section 10: N/2 and SW/4

(h)   The Indian Basin-Upper **Pennsylvanian** Associated Pool (Pool Code 33685) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST. NMPM
Section 8:   E/2
Section 17: NE/4

(i)   The East Indian Draw-Delaware Pool (Pool Code 33725) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 28 EAST. NMPM
Section 16: N/2

(j)   The Ingle Wells-Delaware Pool (Pool Code 33745) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 31 EAST. NMPM
Section 15: S/2

(k)   The North **McMillan-Morrow** Gas Pool (Pool Code 81240) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 27 EAST. NMPM
Section 32: W/2

(l)   The **Runyan** Ranch-Morrow Gas Pool (Pool Code 84350) in Eddy County, New Mexico is hereby extended to include:
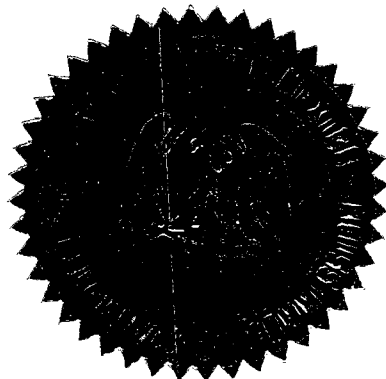
TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 17: W/2

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 January 1, 2004.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director