

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. 12909
Order No. R-11815

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 August 1, 2002, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of August, 2002, 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 Eddy County, New Mexico for the production of oil from the Wolfcamp formation, bearing the designation of Lone Tree Draw-Wolfcamp Pool (**Pool Code 97208**). The Lone Tree Draw-Wolfcamp Pool was discovered by the Occidental Permian Limited Partnership Baumgartner Federal Com. Well No. 2Y located in Unit F of Section 26, Township 21 South, Range 27 East, NMPM, which was completed in the Wolfcamp formation on March 12, 2002. The top of the perforations is at 9,730 feet.

(3) 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, bearing the designation of North Travis-Upper Pennsylvanian Pool (**Pool Code 97206**). The North Travis-Upper Pennsylvanian Pool was discovered by the Louis Dreyfus Natural Gas Company Geronimo "34" State Com. Well No. 1Y located in Unit E of Section

34, Township 17 South, Range 28 East, NMPM, which was completed in the Upper Pennsylvanian formation on October 8, 2001. The top of the perforations is at 8,370 feet.

(4) There is need for extensions to the Burton Flat-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Crooked Creek-Morrow Gas Pool, the Empire-Pennsylvanian Gas Pool, the Frontier Hills-Strawn Gas Pool, the Ingle Wells-Delaware Pool, the Little Box Canyon-Morrow Gas Pool, the Mosley Canyon-Strawn Gas Pool, the West Palmillo-Wolfcamp Pool, and the Tamano-San Andres Pool, all in Eddy County, New Mexico; and the Diablo-Wolfcamp Gas Pool and the South Leslie Spring-Wolfcamp Gas Pool, both 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 Wolfcamp production is hereby created and designated as the Lone Tree Draw-Wolfcamp Pool (**Pool Code 97208**), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 26: NW/4

(b) A new pool in Eddy County, New Mexico classified as an oil pool for Upper Pennsylvanian production is hereby created and designated as the North Travis-Upper Pennsylvanian Pool (**Pool Code 97206**), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 34: NW/4

(c) The Burton Flat-Morrow Gas Pool (**Pool Code 73280**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 26: SW/4

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 15: W/2

(e) The Crooked Creek-Morrow Gas Pool (**Pool Code 75400**) in Eddy County, New Mexico is hereby extended to include:

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

(f) The Diablo-Wolfcamp Gas Pool (**Pool Code 76053**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(g) The Empire-Pennsylvanian Gas Pool (**Pool Code 76440**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 22: NE/4

(h) The Frontier Hills-Strawn Gas Pool (**Pool Code 77190**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 9: N/2

(i) 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 14: SW/4

(j) The South Leslie Spring-Wolfcamp Gas Pool (**Pool Code 97110**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 34: E/2 and NW/4

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM
Section 3: E/2

(k) The Little Box Canyon-Morrow Gas Pool (**Pool Code 80240**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM
Section 31: N/2

(l) The Mosley Canyon-Strawn Gas Pool (**Pool Code 81470**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 13: W/2

(m) The West Palmillo-Wolfcamp Pool (**Pool Code 49575**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 7: E/2 and NW/4
Section 18: NE/4

(n) The Tamano-San Andres Pool (**Pool Code 58060**) in Eddy County, New Mexico is hereby extended to include:

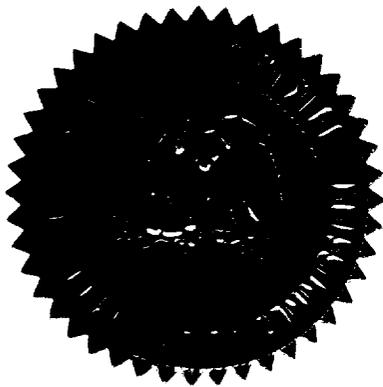
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 36: N/2 SW/4 and SE/4 SW/4

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 September 1, 2002.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director