



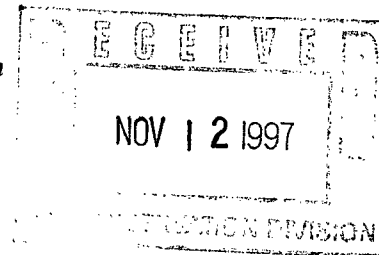
NSL 12/2/97

OXY USA Inc.
6 Desta Drive, Suite 6000, Midland, TX 79705, P.O. Box 50250, Midland, TX 79710-0250
Telephone 915 685-5600 Fax 915 685-5754
November 3, 1997

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Michael E. Stogner

Re: *Application of OXY USA Inc. for Unorthodox Well Location*
OXY Cougar Federal Com, Well #1
660' FNL & 990' FEL
Section 35, Township 18 South, Range 29 East
Turkey Track (Atoka) Gas Pool
North Turkey Track (Morrow) Gas Pool
Other Undesignated Gas Pools on 320 Acre Spacing
Eddy County, New Mexico



Dear Mr. Stogner:

OXY USA Inc. ("OXY") respectfully requests administrative approval under Rule 104 (F) to drill and produce the referenced well at a non-standard gas well location for 320-acre spacing. OXY proposes to designate the north half of the section as a 320-acre spacing unit for production from all deep gas pools including the North Turkey Track (Morrow) Gas Pool, the Turkey Track (Atoka) Gas Pool and any Undesignated Gas Pools. There is presently a marginal Atoka gas well located on a spacing unit comprising the west half of section 35. If OXY cannot reach agreement with the operator to abandon that well, we plan to seek the necessary approvals to allow dedication of the east half of section 35 as a spacing unit for any production from the Turkey Track (Atoka) Gas Pool. Accordingly, the proposed non-standard location authority is being requested for *either* a north-half spacing unit or an east-half spacing unit only for production from the Turkey Track (Atoka) Gas Pool. A completion in any other gas pool spaced on 320 acres will result in the dedication of the north-half of section 35.

The need for the unorthodox location is due to the geology of the Reflex sand segment in the Middle Morrow formation. The Reflex sand is our primary objective. Based on subsurface data including logs, the Reflex sandstone is distributed as a NW-SE trending channel sandstone. It has abrupt boundaries, as evidenced by the rapid pinchout of the sandstone between the MYCO Turkey Track Fed #2 well in section 26 and the KCS Medallion Empire A Fed #2 well in section 27. The sandstone is also present in the Snow State JL "36" #1 well in section 36, but it appears to be wet. Our mapping reveals substantial Reflex sandstone gas reserves underlying our lease in the north half of section 35, but at locations currently outside of the orthodox windows for 320-acre spacing. Cross-sections and lease plats are included to support the geological basis of this request.

Also attached are two Form C-102's and a "service list" which identifies all affected parties as defined in Rule 104 (F) (3). A copy of this cover letter, C-102 and lease plat have been sent certified mail, return receipt requested, to all parties on the service list. By copy of this letter they are hereby notified that if they have any objection it must be filed within twenty days from the date of this notice. A Notice of Staking has already been filed and the APD will be filed on this same date with the BLM.

NMOCD approval of this request will aid in protecting OXY's correlative rights and prevent waste. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5913. Thank you for consideration of our application.

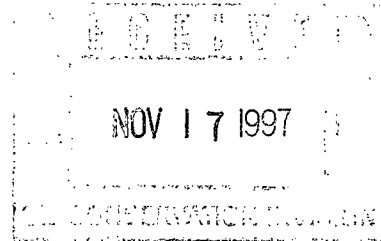
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 13, 1997



New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RE: Application of Oxy USA, Inc.
Oxy Cougar Fed. Com. #1 well
Township 18 South, Range 29 East
Section 35: N/2 or E/2

Dear Mr. Stogner:

On November 10, 1997, we received that certain letter dated November 3, 1997, from Oxy USA, Inc. addressed to the New Mexico Oil Conservation Division making application of an unorthodox location for the captioned well based on *either* a N/2 or E/2 spacing unit orientation. We do not believe that the application for administrative approval is a proper one. Without the knowledge of the orientation of the spacing unit we are unable to determine if objection is warranted. Therefore we request that a proper application be submitted along with sufficient notice, and we will make our decision regarding objection based on the new application.

Should, however, NMOCD consider the application as submitted a proper one we have no choice but to object and request the unorthodox location be set for hearing.

Should you have any questions, concerning the above, please don't hesitate in contacting me.

Very truly yours,

YATES PETROLEUM CORPORATION

Douglas W. Hurlbut
Landman

DWH/dc

cc: Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710-0250
Attention: Richard E. Foppiano

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick".

Richard E. Foppiano, P.E.
Regulatory Affairs Advisor

REF:ref
Enclosures

Cc: Mr. Tim Gum, Supervisor
New Mexico Oil Conservation Division
District II Office
811 S. First Street
Artesia, New Mexico 88210

United States Department of the Interior
Bureau of Land Management
2909 West Second Street
Roswell, NM 88201

SERVICE LIST

Costilla Petroleum Corp.
P. O. Box 10369
Midland, Texas 79702

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88210

Hollyhock Corp.
3907 Crestgate
Midland, Texas 79707

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88202

Todd Memorial Trust
P. O. Box 1973
Roswell, New Mexico 88202

Myco Industries, Inc.
Sharbro Oil Ltd. Co.
Estate of Lillie M. Yates
P. O. Box 840
Artesia, N M 88211-0840

Joel R. Miller
P. O. Box 3003
Midland, Texas 79702

Fair Oil Company
P. O. Box 689
Tyler, Texas 75710

Tara-Jon Corp.
6003 Meadowview Lane
Midland, Texas 79707

Paul Slayton
P. O. Box 2035
Roswell, New Mexico 88202

Hollyhock Corp.
Roger T. Elliott
415 W. Wall, Ste. 1106
Midland, Texas 79701

Jay E. Floyd
P. O. Box 2577
Midland, Texas 79702

Mark D. Wilson
Rio Pecos Corporation
4501 Green Tree Blvd.
Midland, Texas 79707

Cannon Exploration Co.
3608 SCR 1184
Midland, Texas 79706

Heirs of Eugene E. Nearburg
1608 Lakeway Blvd.
Austin, Texas 78734

Cibola Energy Corporation
P. O. Box 1668
Albuquerque, NM 87103

Yates Petroleum Corporation
Yates Drilling Company
S. P. Yates
John A. Yates
Estate of Peggy A. Yates
105 South Fourth Street
Artesia, NM 88210

Enron Oil & Gas Company
P. O. Box 2267
Midland, Texas 79702

Burlington Resources
Oil & Gas Company
P. O. Box 51810
Midland, Texas 79710-1810

Read & Stevens, Inc.
P. O. Box 1518
Roswell, NM 88201

Florence Dooley
507 South 5th
Artesia, NM 88210

Mack C. Chase, Trustee
P. O. Box 960
Artesia, NM 88211-0960

Snow Oil Company
5719 Airport Freeway
Fort Worth, Texas 76117

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

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

DISTRICT III
5500 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015- 29950	Pool Code 86500	Pool Name North Turkey Track Morrow
Property Code	Property Name Oxy Cougar Federal	Well Number 1
OGRID No. 16696	Operator Name Oxy USA Inc.	Elevation 3431'

Surface Location

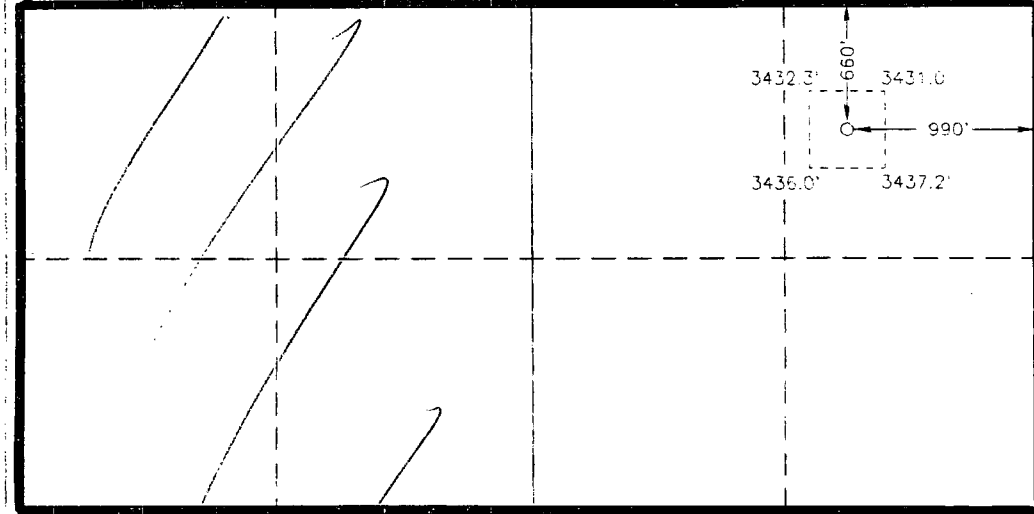
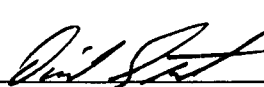

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	18 S	29 E		660	North	990	East	Eddy

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Stewart Printed Name Regulatory Analyst Title 11/6/97 Date
<p>Sabre Operating Inc. Turkey Track - Alaka Gas Compl. Empire "35" Fed. Com. Well No. 1 (API No. 30-015-23449) ASD/FST/WL</p>	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 belief. October 29, 1997 Date Surveyed  Signature & Seal of Professional Surveyor W.O. No. 7621a Certificate No. Gary L. Jones 7977 BASIN SURVEYS
Lot 4 - 37.47 Ac. Lot 3 - 37.88 Ac. Lot 2 - 38.15 Ac. Lot 1 - 38.31 Ac.	

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code	Pool Name Turkey Track Atoka
Property Code	Property Name Oxy Cougar Federal	Well Number 1
OGRID No. 16696	Operator Name Oxy USA Inc.	Elevation 3431'

Surface Location

Well or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	18 S	29 E		660	North	990	East	Eddy

Bottom Hole Location If Different From Surface

Well or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 316.46	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David Stewart</i> Signature David Stewart Printed Name Regulatory Analyst Title 11/6/97 Date</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>October 29, 1997 Date Surveyed J. L. JONES Signature & Seal of Professional Surveyor Professional Surveyor No. 7621 Certificate No. 7977</p>				<p>Basin Surveys</p>	
Lot 4 - 37.47 Ac. Lot 3 - 37.88 Ac. Lot 2 - 38.15 Ac. Lot 1 - 38.31 Ac.					

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or ~~Surface Owners~~ *unleased mineral interest owners, as applicable.*
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

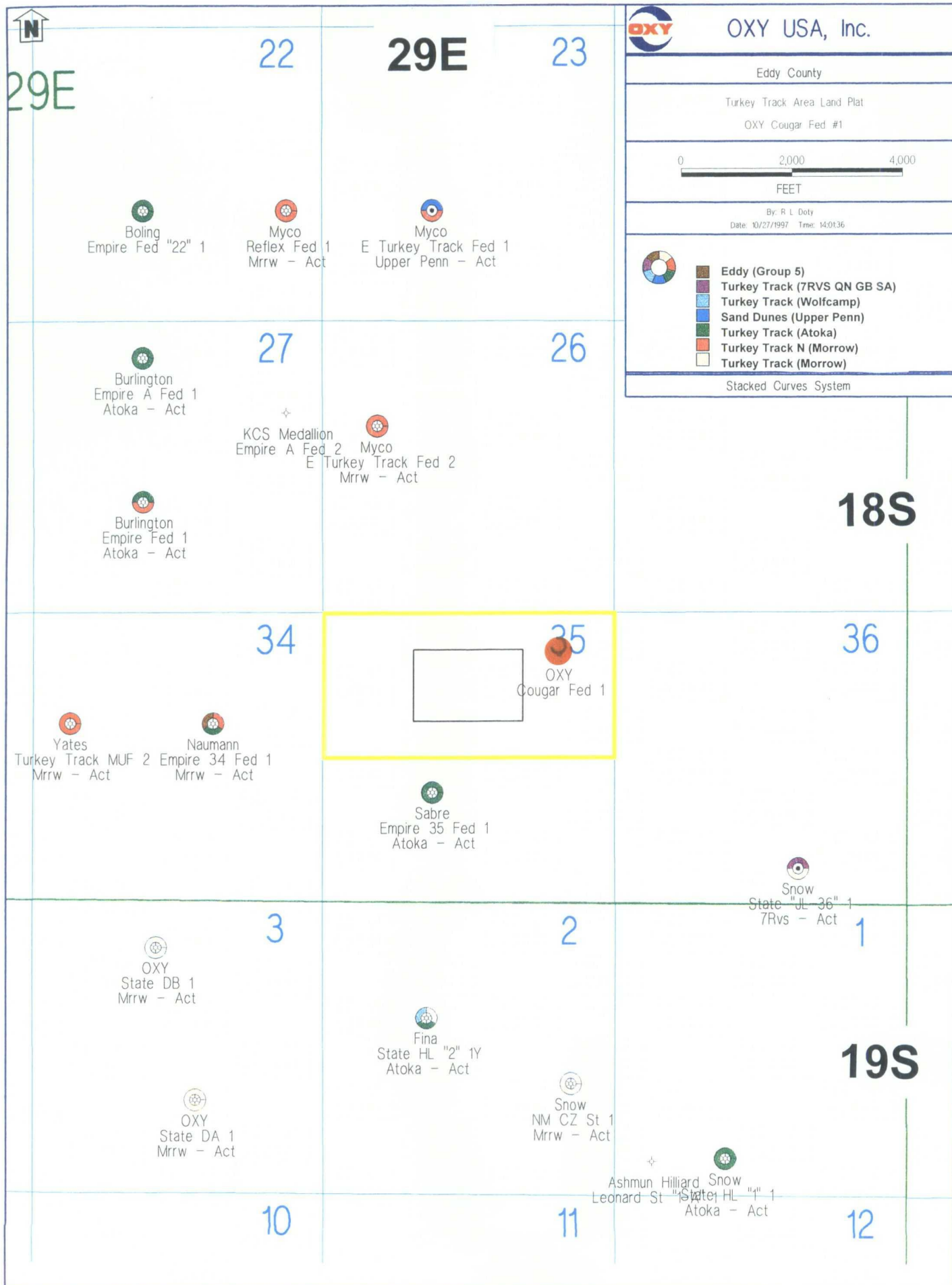
Note: Statement must be completed by an individual with supervisory capacity.

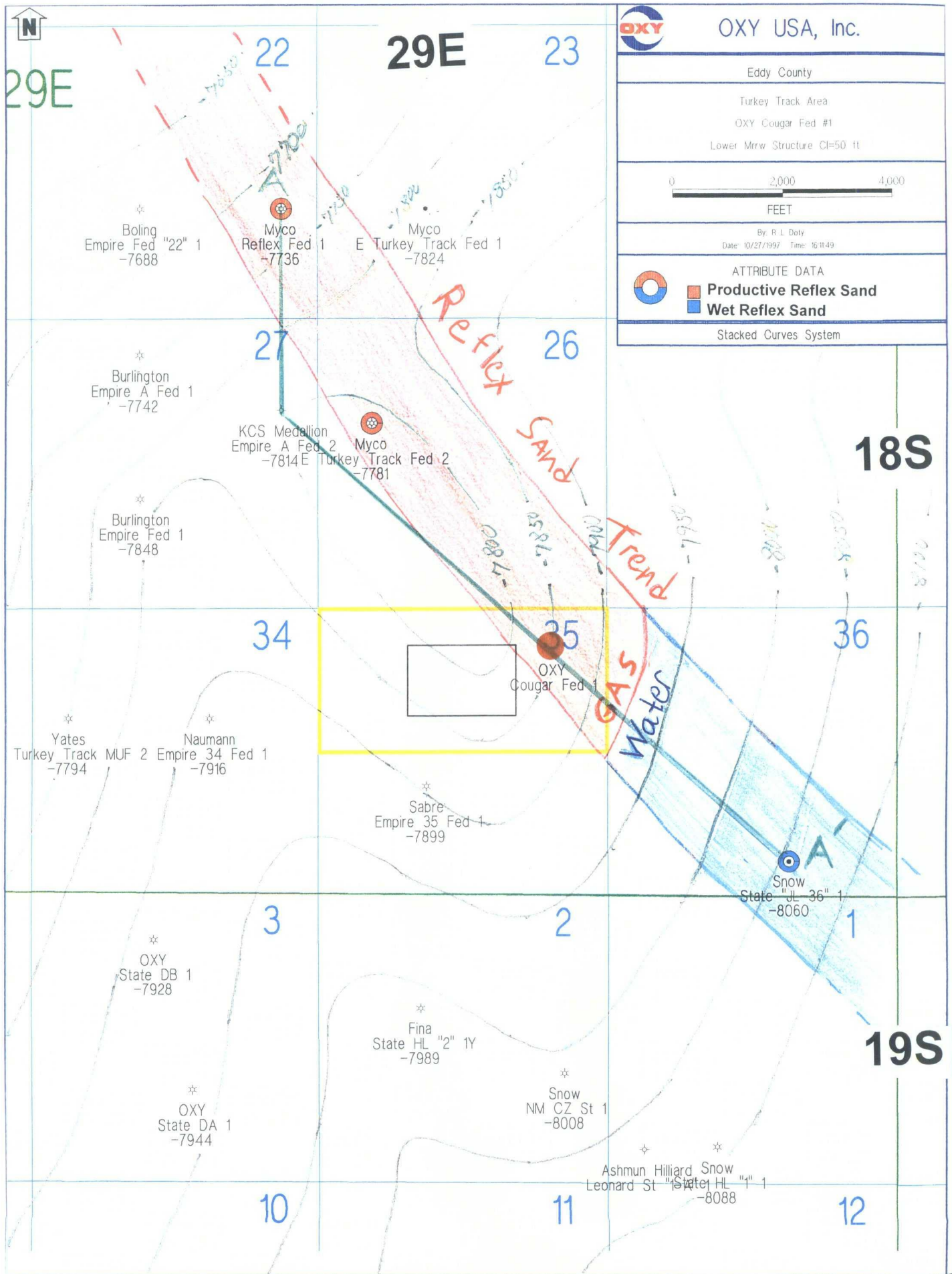
Richard E. Foppiano
 Print or Type Name

Richard E. Foppiano
 Signature

Regulatory Affairs
 Title Advisor

11/3/97
 Date





Stratigraphic Section A-A', Datum: Lower Morrow Turkey Track Area



A

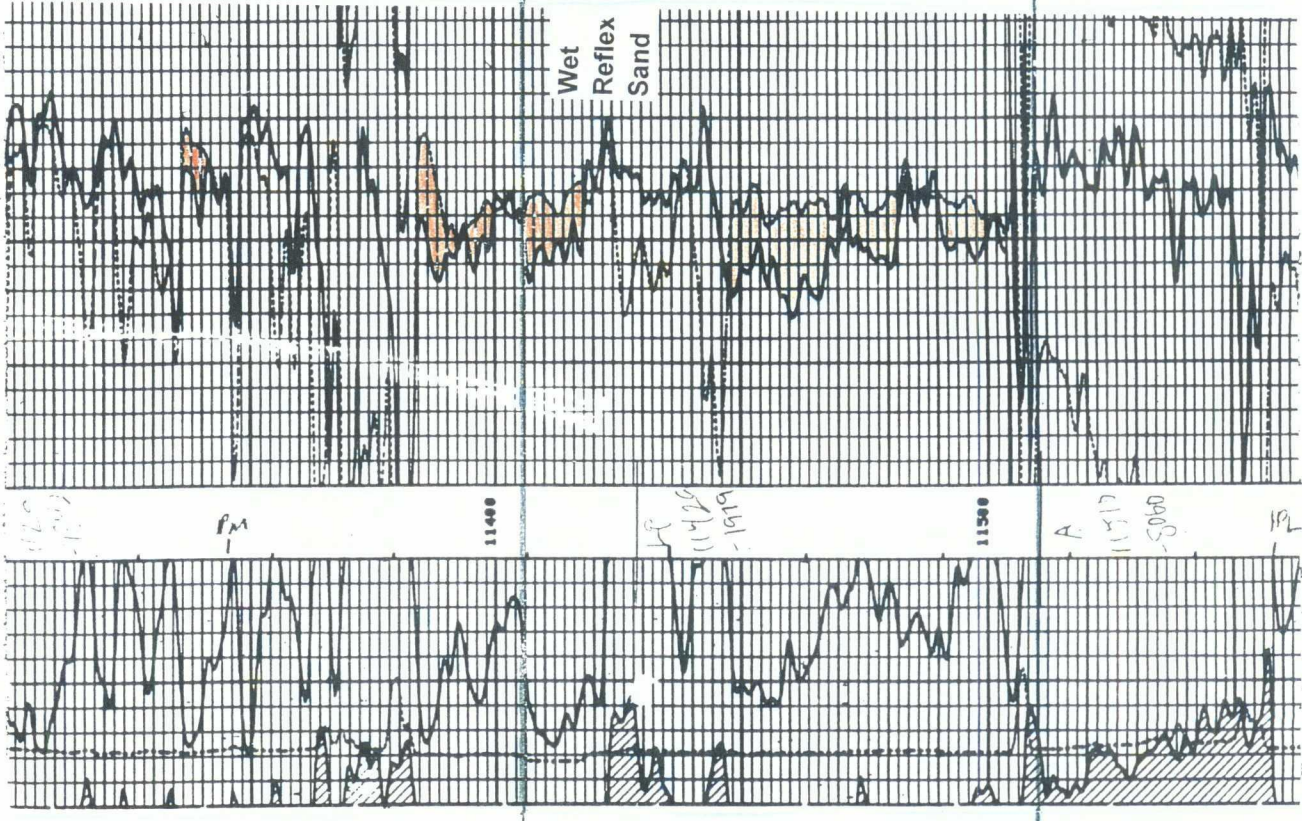
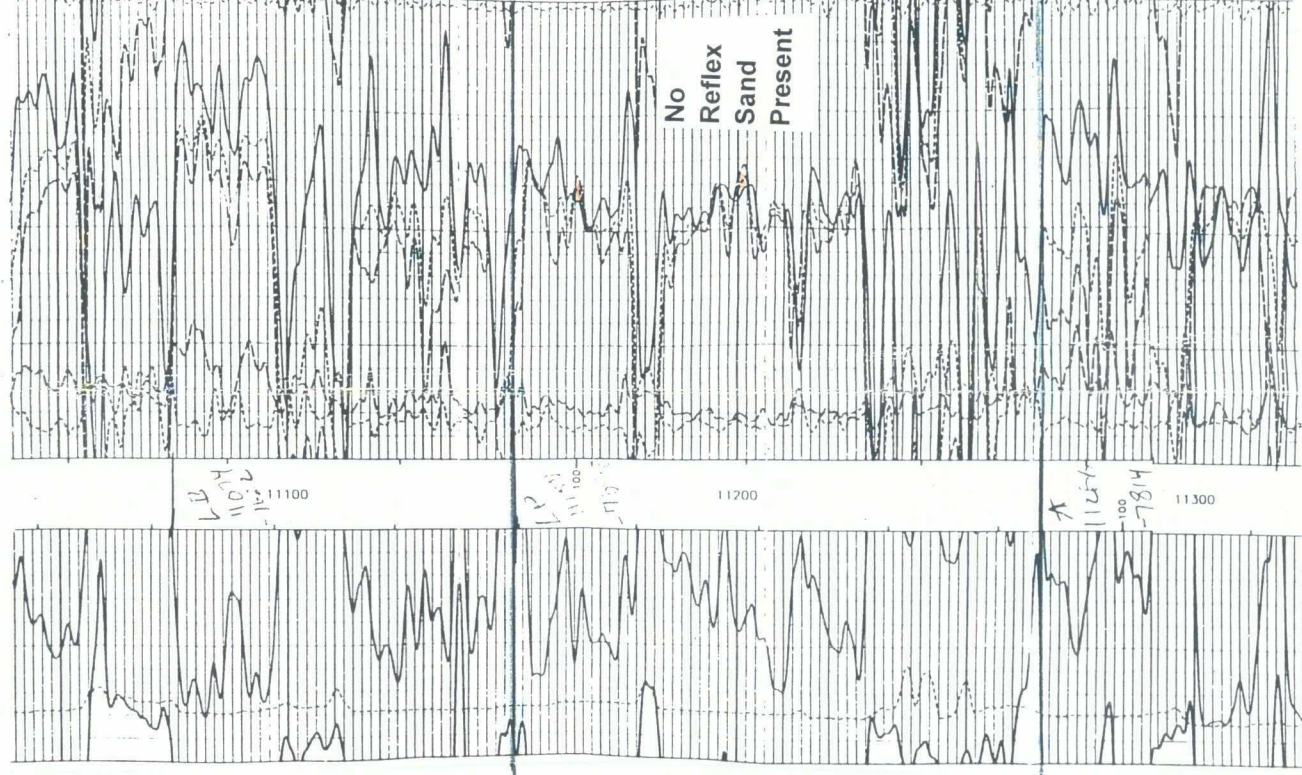
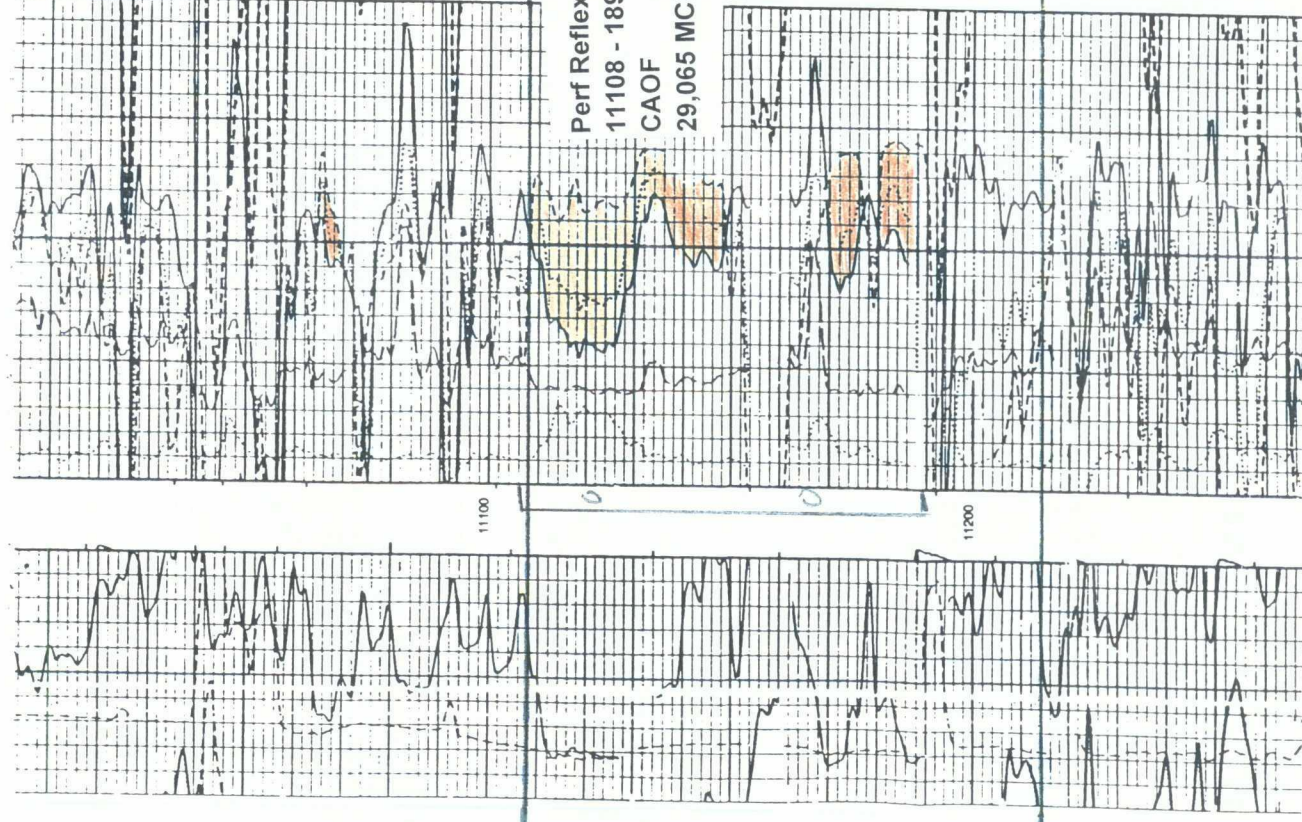
Myco Reflex Fed #1
Sec 22 18s 29E
KB 3478



KCS Empire A Fed #2
Sec 27 18s 29E
KB 3452

SNOW State JL 30 #1
Sec 36 18s 29E
KB 3450

A'



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. 10975
Order No. R-10124

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, 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 May 26, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of May, 1994, 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 Artesia-Bone Spring Pool. Said Artesia-Bone Spring Pool was discovered by the National Energy Group, Inc. State 18 Com Well No. 1 located in Unit K of Section 18, Township 19 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 17, 1993. The top of the perforations is at 7,858 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of North Cedar Lake-Strawn Pool. Said North Cedar Lake-Strawn Pool was discovered by the Anadarko Petroleum Corporation Power Federal

Case No. 10975
Order No. R-10124

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Com Well No. 2 located in Unit I of Section 26, Township 17 South, Range 30 East, NMPM. It was completed in the Strawn formation on November 23, 1993. The top of the perforations is at 10,610 feet.

(4) 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 Northeast Corral Canyon-Delaware Pool. Said Northeast Corral Canyon-Delaware Pool was discovered by the Fortson Oil Company Poker Lake Unit Well No. 79 located in Unit M of Section 2, Township 25 South, Range 30 East, NMPM. It was completed in the Delaware formation on October 1, 1993. The top of the perforations is at 7,720 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Yeso formation, said pool to bear the designation of Empire-Yeso Pool. Said Empire-Yeso Pool was discovered by the Marbob Energy Corporation New Mexico CY State Well No. 1 located in Unit J of Section 23, Township 17 South, Range 28 East, NMPM. It was completed in the Yeso formation on February 4, 1994. The top of the perforations is at 3,722 feet.

(6) 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 Northeast Hackberry-Delaware Pool. Said Northeast Hackberry-Delaware Pool was discovered by the BTA Oil Producers Lusk 9209 JV-P Well No. 1 located in Unit F of Section 12, Township 19 South, Range 31 East, NMPM. It was completed in the Delaware formation on February 13, 1994. The top of the perforations is at 6,702 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of West Logan Draw-Morrow Gas Pool. Said West Logan Draw-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Fasken-Exxon AOF Federal Com Well No. 1 located in Unit J of Section 31, Township 17 South, Range 27 East, NMPM. It was completed in the Morrow formation on March 2, 1994. The top of the perforations is at 9,078 feet.

(8) 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 East Penlon-Bone Spring Pool. Said East Penlon-Bone Spring Pool was discovered by the Premier Oil and Gas, Inc. Eddy FV State

Case No. 10975
Order No. R-10124

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Com Well No. 1 located in Unit H of Section 25, Township 20 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on November 20, 1993. The top of the perforations is at 6,325 feet.

(9) 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 South Sand Dunes-Upper Pennsylvanian Pool. Said South Sand Dunes-Upper Pennsylvanian Pool was discovered by the Southland Royalty Company Empire 34 Federal Well No. 1 located in Unit G of Section 34, Township 18 South, Range 29 East, NMPM. It was completed in the Upper Pennsylvanian formation on November 30, 1993. The top of the perforations is at 9,900 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Siegreist Draw-Abo Pool. Said Siegreist Draw-Abo Pool was discovered by the Yates Petroleum Corporation Sunflower AHW Federal Well No. 2 located in Unit A of Section 31, Township 19 South, Range 24 East, NMPM. It was completed in the Abo formation on October 23, 1993. The top of the perforations is at 3,940 feet.

(11) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Springer Basin-Strawn Gas Pool. Said Springer Basin-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Long Arroyo OD State Com Well No. 1 located in Unit I of Section 14, Township 14 South, Range 27 East, NMPM. It was completed in the Strawn formation on November 1, 1993. The top of the perforations is at 7,587 feet.

(12) 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 Southeast Willow Lake-Bone Spring Pool. Said Southeast Willow Lake-Bone Spring Pool was discovered by the Maralo Inc. Pickett Draw Federal Well No. 1 located in Unit F of Section 9, Township 25 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on January 15, 1994. The top of the perforations is at 8,573 feet.

(13) There is need for the abolishment of the Northwest Dagger Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, in order to correct nomenclature. A portion of the abolished acreage will be placed in the Penasco Draw-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico.

(14) There is need for the extension of the North Brushy Draw-Delaware Pool, the Cabin Lake-Delaware Pool, the Calabaza Draw-Atoka Gas Pool, the East Carlsbad-Bone Spring Pool, the Cedar Canyon-Bone Spring Pool, the East Cedar Lake-Morrow Gas Pool, the Cemetery-Wolfcamp Gas Pool, the Chalk Bluff-Wolfcamp Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Duffield-Pennsylvanian Gas Pool, the Empire-Abo Pool, the South Golden Lane-Delaware Pool, the Hackberry-Delaware Pool, the North Hackberry Yates-Seven Rivers Pool, the Happy Valley-Delaware Pool, the Northeast Happy Valley-Strawn Gas Pool, the East Herradura Bend-Delaware Pool, the North Illinois Camp-Morrow Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the Ingle Wells-Delaware Pool, the South Leo-Bone Spring Pool, the Los Medanos-Atoka Gas Pool, the Los Medanos-Bone Spring Pool, the Los Medanos-Delaware Pool, the Los Medanos-Morrow Gas Pool, the Old Millman Ranch-Bone Spring Associated Pool, the Owen Mesa-Morrow Gas Pool, the Penasco Draw-Permo Pennsylvanian Gas Pool, the Southwest Poker Lake-Delaware Pool, the Southeast Quahada Ridge-Delaware Pool, the South Sand Dunes-Delaware Pool, the West Sand Dunes-Delaware Pool, the Scanlon-Strawn Gas Pool, and the Walters Lake-Bone Spring Pool, all in Eddy 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 Artesia-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 18: S/2

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 26: E/2

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

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 2: SW/4

Case No. 10975
Order No. R-10124

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 23: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 31: E/2

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 25: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 34: E/2

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 31: N/2

Case No. 10975
Order No. R-10124
-6-

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

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 14: E/2

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 9: NW/4

(l) The Northwest Dagger Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 2: N/2

is hereby abolished.

(m) The North Brushy Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 26: S/2

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 1: NW/4
Section 2: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 11: SE/4

(o) The Calabaza Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 10975
Order No. R-10124

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TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 2: S/2

Section 3: S/2

(p) The East Carlsbad-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 13: SW/4

Section 23: E/2 and NW/4

Section 24: NW/4

(q) The Cedar Canyon-Bone Spring 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 10: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 33: W/2

Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 4: E/2

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 25: N/2

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 30: N/2

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 10: N/2

Case No. 10975
Order No. R-10124

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(u) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 9: SW/4

(v) The Duffield-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 21: N/2

(w) The Empire-Abo Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 23: SE/4
Section 26: N/2 NE/4

(x) The South Golden Lane-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 16: W/2
Section 17: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 15: W/2 and NE/4

(z) The North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

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

Case No. 10975
Order No. R-10124
-9-

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 28: SW/4
Section 33: NE/4

(bb) The Northeast Happy Valley-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2

(cc) 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 1: NE/4

(dd) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 17: E/2

(ee) The Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Section 11: N/2

(ff) The Ingle Wells-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 27: SW/4
Section 34: SE/4

(gg) The South Leo-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 34: SW/4

Case No. 10975
Order No. R-10124
-10-

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 3: W/2

(hh) The Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 25: All

(ii) The Los Medanos-Bone Spring 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 6: SE/4 and NW/4

(jj) The Los Medanos-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 9: SE/4

(kk) The Los Medanos-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 24: S/2
Section 25: All

(ll) The Old Millman Ranch-Bone Spring Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 34: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM\
Section 3: SE/4
Section 10: NW/4

(mm) The Owen Mesa-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 10975
Order No. R-10124
-11-

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 35: N/2

(nn) The Penasco Draw-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 2: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 24: SE/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 19: SW/4
Section 30: NW/4

(pp) The Southeast Quahada Ridge-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 36: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 5: SW/4

(rr) 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 31: SE/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: SW/4
Section 9: NW/4

(ss) The Scanlon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is

Case No. 10975
Order No. R-10124
-12-

hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 33: E/2 and SW/4

(tt) The Walters Lake-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 2: NW/4

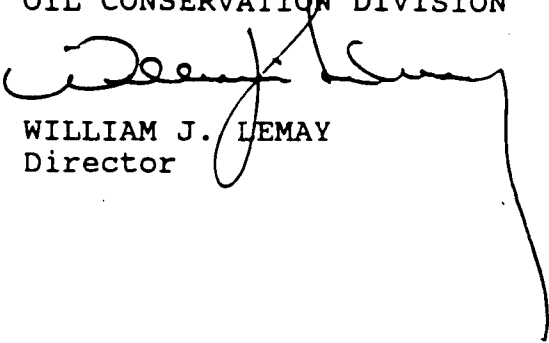
IT IS FURTHER ORDERED THAT:

(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, abolishments, and extensions included herein shall be June 1, 1994.

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

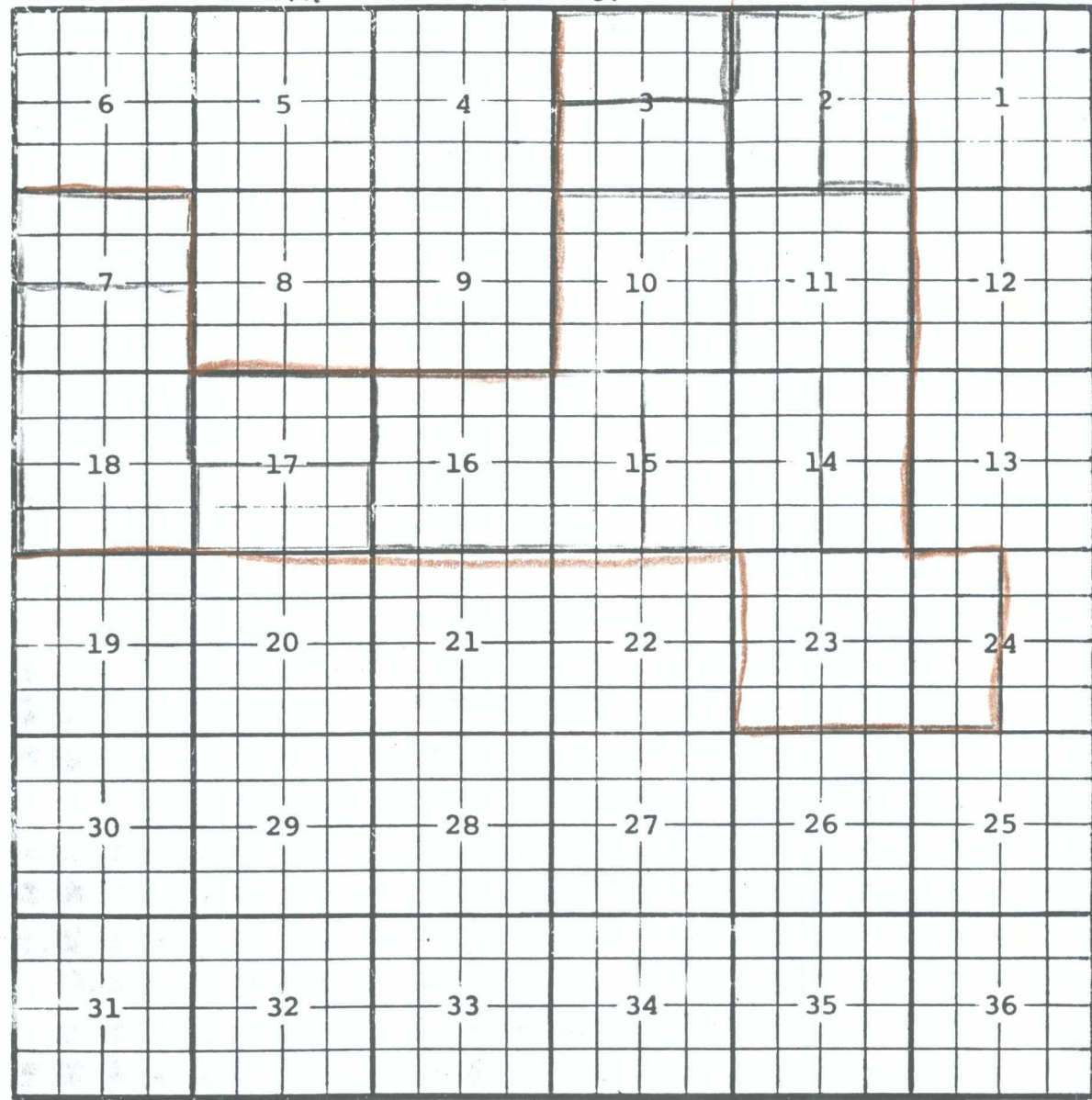
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

COUNTY Eddy POOL Turkey Track-Morrow Gas

TOWNSHIP 19 South RANGE 29 East NMPM



Description: $\frac{5}{2}$ Sec 17 (R-5056, 8-1-75)

Ext: W/2 Sec 15, All Sec 16 (R-5988, 5-1-79)

Ext: W/2 Sec 14, E/2 Sec 15, All Sec 23, W/2 Sec 24 (R-6033, 7-1-79)

Ext: All Sec. 11, $\frac{E}{2}$ Sec. 14 (R-6328, 5-1-80) Ext: $\frac{5}{2}$ Sec. 7, All Sec. 18 (R-6476, 10-1-80) Ext: All Sec 10 (R-6576, 2-10-81)

Ext. $\frac{5}{2}$ sec 3 (R-6724, 7-16-81) EXT: W/2 sec 2, $\frac{N}{2}$ sec 7 (R-6994, 5-28-82)

EXT: Sec: 3 $\frac{N}{2}$ (R-7048, 8-9-82)

Ext: Sec: 2 E/2 (R-7222, 2-25-83) Ext: $\frac{N}{2}$ Sec. 17 (R-7785, 1-17-85)

County EDDYPool TURKEY TRACK - ATOKA GAS

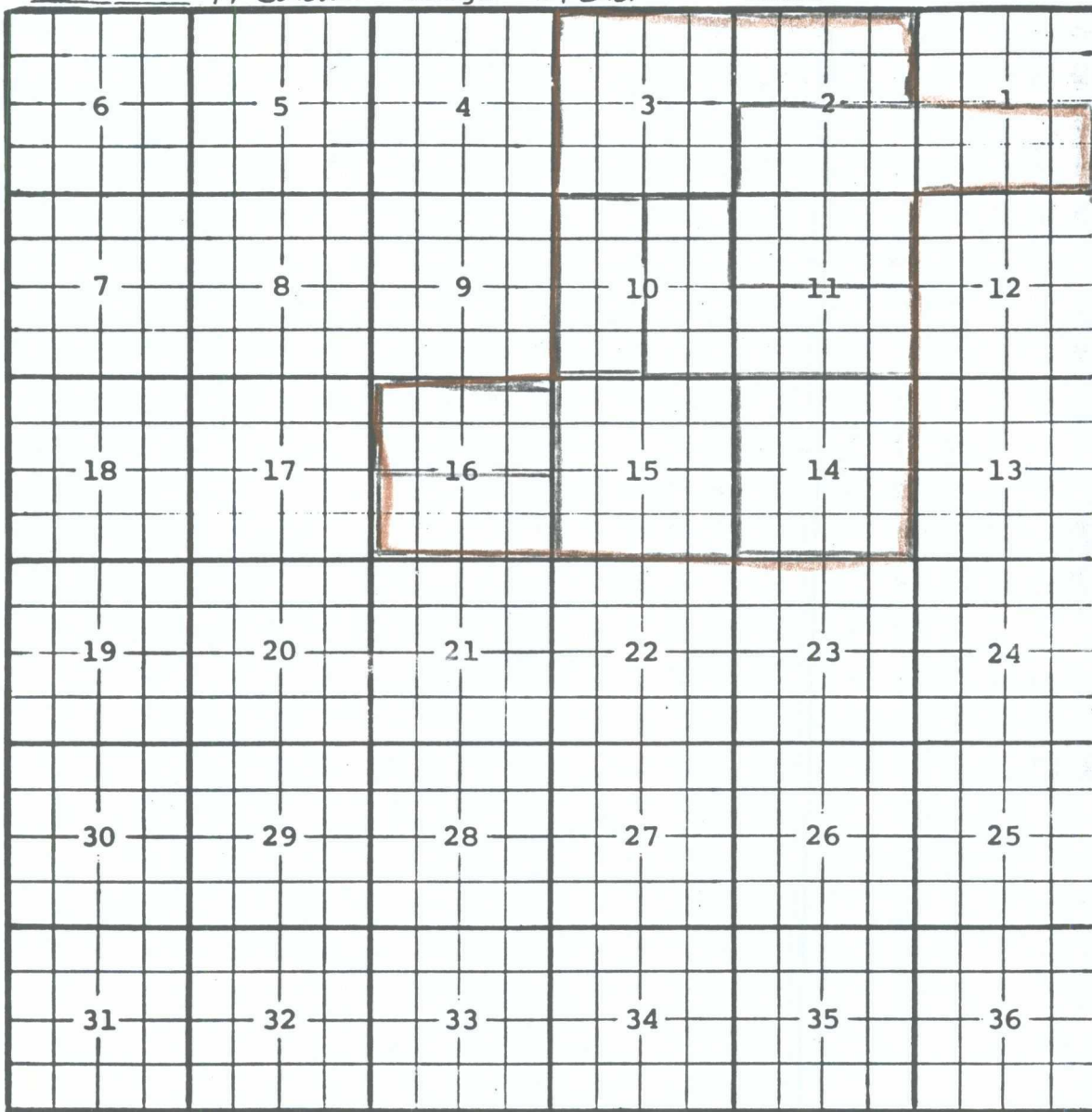
TOWNSHIP

19 South

Range

29 EAST

NMPM



Designation: $\frac{E}{2}$ Sec. 10, $\frac{S}{2}$ Sec. 11 (A-6368, 7-1-80)

Ext: $\frac{S}{2}$ Sec. 1, $\frac{S}{2}$ Sec. 2, $\frac{N}{2}$ Sec. 11, Add Sec. 14 (A-6476, 10-1-80)

Ext: $\frac{W}{2}$ Sec. 10 (A-6576, 2-10-81) EXT: $\frac{N}{2}$ Sec. 2, All Sec. 3 (A-6876, 1-22-82)

Ext: All sec 15 (A-6912, 3-5-82) Ext: $\frac{S}{2}$ Sec. 16 (A-8431, 4-15-87)

Ext: $\frac{N}{2}$ Sec. 16 (A-10591, 5-8-96)

County Eddy Pool Turkey Track - Atoka Gas

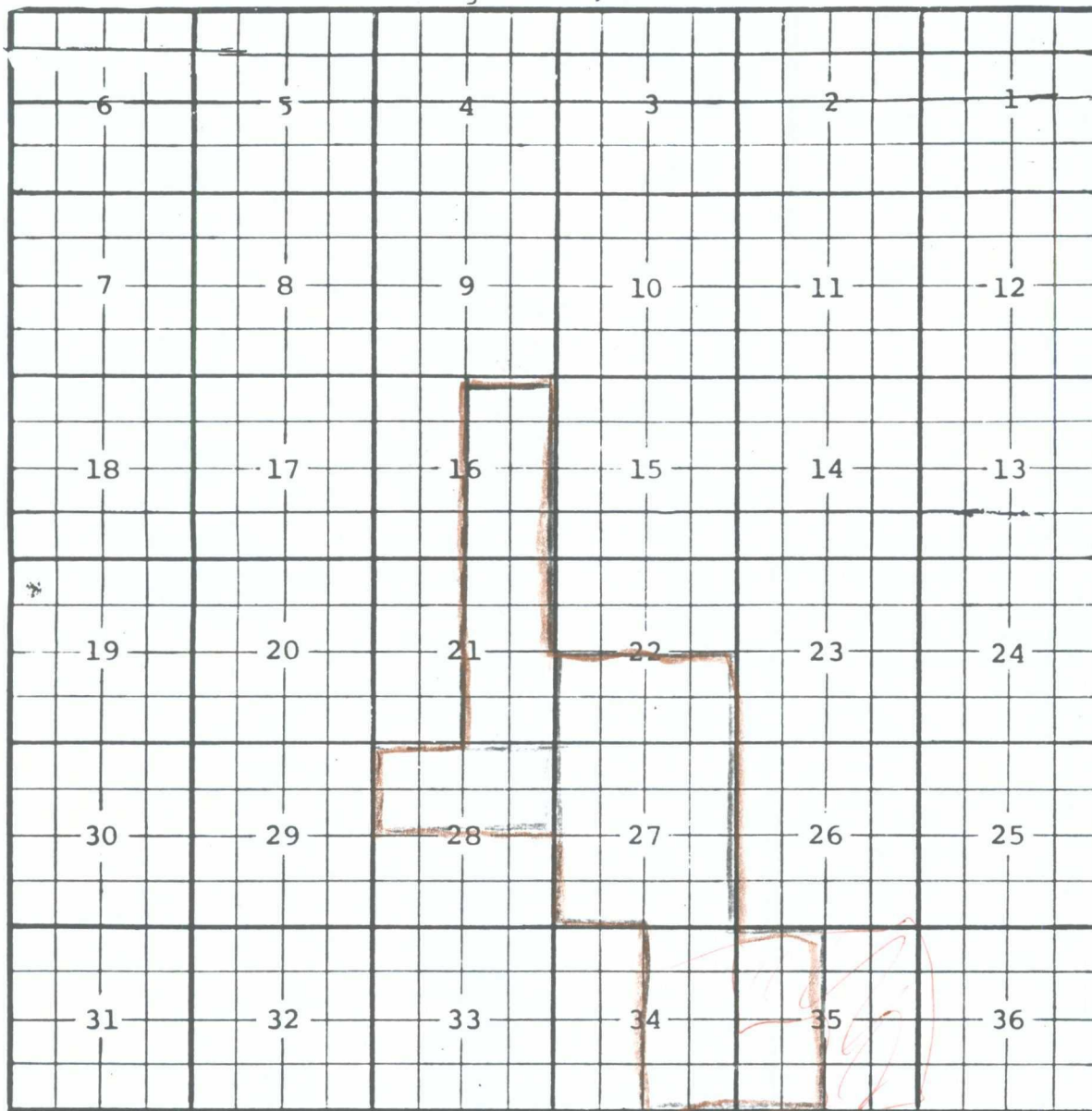
TOWNSHIP

18 S

Range

29 E

NMPM



EXT: $\frac{1}{2}$ sec 22, All sec 27, $\frac{1}{2}$ sec 34, $\frac{1}{2}$ sec 35 (R-6876, 1-22-82)

EXT: Sec: 28 $\frac{1}{2}$ (R-7030, 7-21-82)

EXT: $\frac{1}{2}$ Sec. 16, $\frac{1}{2}$ sec. 21 (R-10855, 8-11-97)

County EDDYPool PALMILLO-CISCO @ASTOWNSHIP 18 South, RANGE 29 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	18	15	14	13
19	20	21	22	23	24
29	28	28	27	26	25
31	32	33	34	35	36

(Handwritten red box around section 28 and red scribbles in section 35)

DESCRIPTION: N/2 SEC 28 (R-8827, 12-22-88)Ext: 5/2 Sec. 28, N/2 Sec. 33 (R-10376, 5-24-95)

County Eddy Pool Sand Dune-Upper Pennsylvanian

TOWNSHIP 18 South Range 29 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: SW 1/4 Sec. 23 (A-9668, 5-6-92)

County Eddy Pool Turkey Track-Wolfcamp

TOWNSHIP 19 South Range 29 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Description: NW 1/4 Sec. 2 (A-8065, 10-31-85)

County Eddy

Pool South Sand Dunes-Upper Pennsylvanian

TOWNSHIP

18 South

RANGE

29 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

(Note: Section 34 is outlined in red, and section 35 is shaded with red diagonal lines.)

Description: 1/2 Sec. 34 (R-10/24, 5-31-94)