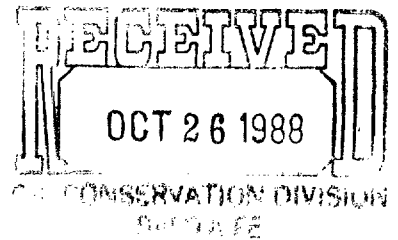


ARTESIA, NEW MEXICO  
DISTRICT II



NOMENCLATURE ADVERTISEMENT FOR NOV. 1988

Case 9549

(A) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Palmillo-Cisco Gas Pool. The discovery well is <sup>the</sup> Yates Petroleum Corp., Dixon Yates LM Federal #1 located in Unit G of Section 28, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

Township 18 South, Range 29 East, NMPM,  
Section 28: N/2

(B) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Turkey Track-Bone Spring Pool. The discovery well is <sup>well No.</sup> Moroilco Inc., Halcon State #1 located in Unit G of Section 26, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

Township 19 South, Range 29 East, NMPM,  
Section 26: NE/4

(C) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Walters Lake-Bone Spring Pool. The discovery well is <sup>well No.</sup> Enron Oil & Gas Co., Nelson Federal #8 located in Unit C of Section 3, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

Township 18 South, Range 30 East, NMPM,  
Section 3: NW/4

(D) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Wolf Lake-San Andres Pool. The discovery well is <sup>well No.</sup> Cibola Energy Corp., Duncan Federal #2 located in Unit M of Section 7, Township 9 South, Range 28 East, NMPM. Said pool would comprise:

Township 9 South, Range 28 East, NMPM,  
Section 7: SW/4

(E) Extend the Buffalo Valley-Penn Gas Pool in Chaves County, New Mexico, to include therein:

Township 15 South, Range 27 East, NMPM,  
Section 22: E/2

(F) Extend the East Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM,  
Section 16: SE/4

(G) Extend the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 25 East, NMPM.  
Section 26: S/2

(H) Extend the Collins Ranch-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

Township 17 South, Range 24 East, NMPM.  
Section 34: E/2

(I) Extend the North Dagger Draw-Upper Penn Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 25 East, NMPM.  
Section 8: SW/4

(J) Extend the Filaree Dome-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 26 East, NMPM.  
Section 19: N/2

(K) Extend the Foor Ranch-Pre Permian Gas Pool in Chaves County, New Mexico to include therein:

Township 9 South, Range 26 East, NMPM.  
Section 26: S/2  
Section 25: S/2

(L) Extend the Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, to include therein:

Township 9 South, Range 26 East, NMPM.  
Section 26: S/2  
Section 25: S/2  
Section 13: W/2  
Section 24: S/2

(M) Extend the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 26 East, NMPM.  
Section 28: N/2

(H) Extend the South Leo-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East, NMPM.  
Section 33: NE/4

(O) Extend the Lucky Lake-Queen Pool in Chaves County, New Mexico, to include therein:

Township 15 South, Range 29 East, NMPM.  
Section 15: NW/4

(P) Extend the West Lusk-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 31 East, NMPM.  
Section 15: SE/4

(Q) Extend the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 29 East, NMPM.  
Section 35: E/2

(R) Extend the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico to include therein:

Township 9 South, Range 27 East, NMPM.  
Section 20: SW/4

(S) Extend the Penasco Draw-Permo Penn Gas Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 25 East, NMPM.  
Section 6: W/2

(T) Extend the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East, NMPM.  
Section 30: W/2 SE/4

(U) Extend the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 31 East, NMPM.  
Section 7: SW/4

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPT.  
OIL CONSERVATION DIV.

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN ORDER  
CREATING, EXTENDING AND CONTRACTING  
VERTICAL AND HORIZONTAL LIMITS OF CERTAIN  
POOLS IN CHAVES AND EDDY COUNTIES.

CASE NO. 9549  
ORDER NO. ~~A-8808~~  
8827

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at \_\_\_\_\_ a.m. on \_\_\_\_\_,  
1988, at Santa Fe, New Mexico, before Examiner \_\_\_\_\_.

NOW, on this \_\_\_\_\_ day of November, 1988, the Division Director,  
having considered the testimony, the record, 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 subject matter thereof.
- (2) There is need for the creation of a new pool in Eddy County,  
New Mexico, for the production of gas from the Cisco formation. Said  
pool to bear the designation of Palmillo-Cisco Gas Pool. Said Palmillo-  
Cisco Gas Pool was discovered by the Yates Petroleum Corp., Dixon Yates  
LM Fed. #1, located in Unit G of Section 28, Township 18 South, Range 29  
East, NMPM. It was completed October 12, 1988 in the Cisco formation.  
The of perforations is at 9,792 feet.
- (3) 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 Turkey Track-Bone Spring Pool. Said Turkey  
Track-Bone Spring Pool was discovered by the Moroilco, Inc., Halcon State  
#1, located in Unit G of Section 26, Township 19 South, Range 29 East, NMPM.  
It was completed August 31, 1988 in the Bone Spring formation. The top  
of perforations is at 8,088 feet.
- (4) 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 Walters Lake-Bone Spring Pool. Said  
Walters Lake-Bone Spring Pool was discovered by the Enron Oil & Gas Co.,  
Nelson Federal #8, located in Unit C of Section 3, Township 18 South,  
Range 30 East, NMPM. It was completed September 2, 1988 in the Bone Spring  
formation. The top of perforations is at 7,724 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the San Andres formation. Said pool to bear the designation of South Wolf Lake-San Andres Pool. Said South Wolf Lake-San Andres Pool was discovered by the Cibola Energy Corp., Duncan Fed. #2, located in Unit M of Section 7, Township 9 South, Range 28 East, NMPM. It was completed August 15, 1988 in the San Andres formation. The top of perforations is at 2,241 feet.

(6) There is need for certain extensions to the East Burton-Delaware Pool, Cemetary-Morrow Gas Pool, Collins Ranch-Wolfcamp Gas Pool, North Dagger Draw-Upper Penn Pool, Filaree Dome-Delaware Pool, Happy Valley-Morrow Gas Pool, South Leo-Bone Spring Pool, West Lusk-Bone Spring Pool, Parkway-Delaware Pool, Penasco Draw-Permo Penn Gas Pool, Santo Nino-Bone Spring Pool, Shugart-Yates-Seven-Rivers-Queen-Grayburg Pool, and the North Shugart-Bone Spring Pool all in Eddy County, New Mexico, and the Buffalo Valley-Penn Gas Pool, Foor Ranch-Pre-Permian Gas Pool, Foor Ranch-Wolfcamp Gas Pool, Lucky Lake-Queen Pool, and the South Pecos Slope-Abo Gas Pool all in Chaves County, New Mexico. There is also need to contract the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico.

IT IS THEREFORE ORDERED:

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Palmillo-Cisco Gas Pool. The discovery well is Yates Petroleum Corp., Dixon Yates LM Fed. #1 located in Unit G of Section 28, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

Township 18 South, Range 29 East, NMPM.

Section 28: N/2

(b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Turkey Track-Bone Spring Pool. The discovery well is Moroilco, Inc., Halcon St. #1 located in Unit G of Section 26, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

Township 19 South, Range 29 East, NMPM.

Section 26: NE/4

Case No. \_\_\_\_\_

Order No. \_\_\_\_\_

(c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Walters Lake-Bone Spring Pool. The discovery well is Enron Oil & Gas Co., Nelson Fed. #8 located in Unit C of Section 3, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

Township 18 South, Range 30 East, NMPM.

Section 3: NW/4

(d) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Wolf Lake-San Andres Pool. The discovery well is Cibola Energy Corp., Duncan Fed. #2 located in Unit M of Section 7, Township 9 South, Range 28 East, NMPM. Said pool would comprise:

Township 9 South, Range 28 East, NMPM.

Section 7: SW/4

(e) Extend the Buffalo Valley-Penn Gas Pool in Chaves County, New Mexico to include therein:

Township 15 South, Range 27 East, NMPM.

Section 22: E/2

(f) Extend the East Burton-Delaware Pool in Eddy County, New Mexico to include therein:

Township 20 South, Range 29 East, NMPM.

Section 16: SE/4

(g) Extend the Cemetary-Morrow Gas Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 25 East, NMPM.

Section 26: S/2

(h) Extend the Collins Ranch-Wolfcamp Gas Pool in Eddy County, New Mexico to include therein:

Township 17 South, Range 24 East, NMPM.

Section 34: E/2

Case No. \_\_\_\_\_

Order No. \_\_\_\_\_

(i) Extend the North Dagger Draw-Upper Penn Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 25 East, NMPM.

Section 8: SW/4

(j) Extend the Filaree Dome-Delaware Pool in Eddy County, New Mexico to include therein:

Township 22 South, Range 26 East, NMPM.

Section 19: N/2

(k) Extend the Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include therein:

Township 9 South, Range 26 East, NMPM.

Section 26: S/2

Section 25: S/2

(l) Extend the Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico to include therein:

Township 9 South, Range 26 East, NMPM.

Section 26: S/2

Section 25: S/2

Section 13: W/2

Section 24: S/2

(m) Extend the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico to include therein:

Township 22 South, Range 26 East, NMPM.

Section 28: N/2

(n) Extend the South Leo-Bone Spring Pool in Eddy County, New Mexico to include therein:

Township 18 South, Range 30 East, NMPM.

Section 33: NE/4

(o) Extend the Lucky Lake-Queen Pool in Chaves County, New Mexico to include therein:

Township 15 South, Range 29 East, NMPM.

Section 15: NW/4

Case No. \_\_\_\_\_

Order No. \_\_\_\_\_

(p) Extend the West Lusk-Bone Spring Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 31 East, NMPM.

Section 15: SE/4

(q) Extend the Parkway-Delaware Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 29 East, NMPM.

Section 35: E/2

(r) Extend the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico to include therein:

Township 9 South, Range 27 East, NMPM.

Section 20: SW/4

(s) Extend the Penasco Draw-Permo Penn Gas Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 25 East, NMPM.

Section 6: W/2

(t) Extend the Santo Nino-Bone Spring Pool in Eddy County, New Mexico to include therein:

Township 18 South, Range 30 East, NMPM.

Section 30: W/2 SE/4

(u) Extend the Shugart-Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico to include therein:

Township 18 South, Range 31 East, NMPM.

Section 7: SW/4



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Case No. \_\_\_\_\_

Order No. \_\_\_\_\_

(v) Extend the North Shugart-Bone Spring Pool in Eddy County, New Mexico to include therein:

Township 18 South, Range 31 East, NMPM.

Section 6: NE/4

Section 5: NE/4

(w) Contract the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico to include therein:

Township 19 South, Range 29 East, NMPM.

Section ~~4~~<sup>1</sup>: SW/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 and extensions included herein shall be \_\_\_\_\_.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director