

CASE NO. 8508

EXHIBIT I

CASE 8508: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and assigning discovery allowable and extending certain pools in Chaves and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Northwest Antelope Ridge-Bone Spring Pool. The discovery well is the Curry Resources Pronghorn State Well No. 1 located in Unit J of Section 9, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Arkansas Junction-Bone Spring Pool. The discovery well is the Gulf Oil Corporation Lea ACF State Well No. 1 located in Unit A of Section 35, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM

Section 35: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Bradley-Bone Spring Pool. The discovery well is the Gulf Oil Corporation Wilson C Federal Well No. 1 located in Unit E of Section 29, Township 26 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

Section 29: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Langley-Strawn Pool. Further, assign approximately 46,700-186,400 barrels of discovery allowable to the discovery well, the ARCO Oil & Gas Company Langley Griffin Well No. 1 located in Unit J of Section 28, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

Section 28: SE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Lowe Ranch-Mississippian Gas Pool. The discovery well is the Kimbark Oil and Gas Company M. F. Walker Well No. 2 located in Unit J of Section 27, Township 12 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM

Section 27: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Mescalero Escarpe-Grayburg Pool. The discovery well is the Cities Service Oil and Gas Corporation State DW Well No. 5 located in Unit P of Section 12, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 12: SE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Red Hills-Atoka Gas Pool. The discovery well is the HNG Oil Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 13: N/2

- (h) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 32: S/2

Correction:

-5700 feet subsea

- (i) EXTEND the lower vertical limits of the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, to 5700 feet subsea.
- (j) EXTEND the Northeast Caudill-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 1: NW/4

- (k) EXTEND the Cedar Point-Strawn Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 26: SW/4

- (l) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

- (m) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 11, 12, 13, and 14
Section 2: Lots 9, 15, and 16

- (n) EXTEND the EK-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 36: NE/4

- (o) EXTEND the West Hume-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 14: SW/4

- (p) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 26: NE/4
Section 28: SE/4

- (q) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 30: W/2
Section 31: W/2

- (r) EXTEND the Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 12: SW/4

- (s) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 1: SW/4
Section 2: SE/4

NEW POOLS

It is recommended that a new OIL pool be created and designated as the LANGLEY-STRAWN Pool.

Vertical limits to be the STRAWN formation and the horizontal limits should be as follows: As shown in Paragraph (d) Exhibit I

Discovery well was ARCO Oil & Gas Co. Langley Griffin #1 located in Unit J Section 28 Township 22 Range 36 and was completed on Nov. 7, 1984. Top of perforations is at 9340 feet.

It is recommended that a new GAS pool be created and designated as the LOWE RANCH-MISSISSIPPIAN GAS Pool.

Vertical limits to be the Mississippian formation and the horizontal limits should be as follows: As shown in paragraph (e) Exhibit I

Discovery well was Kimbark Oil & Gas Co. M. F. Walker #2 located in Unit J Section 27 Township 12 Range 37 and was completed on July 29, 1984. Top of perforations is at 12032 feet.

It is recommended that a new OIL pool be created and designated as the MESCALERO ESCARPE-GRAYBURG Pool.

Vertical limits to be the GRAYBURG formation and the horizontal limits should be as follows: As shown in Paragraph (f) Exhibit I

Discovery well was Cities Service Oil & Gas Corp. State DW #5 located in Unit P Section 12 Township 18 Range 33 and was completed on November 13, 1984. Top of perforations is at 5091 feet.

NEW POOLS

It is recommended that a new OIL pool be created and designated as the NORTHWEST ANTELOPE RIDGE-BONE SPR. Pool.

Vertical limits to be the BONE SPRING formation and the horizontal limits should be as follows: Shown in Paragraph (a) Exhibit I

Discovery well was Curry Resources Pronghorn State #1 located in Unit J Section 9 Township 23 Range 34 and was completed on October 5, 1984. Top of perforations is at 8501 feet.

It is recommended that a new oil pool be created and designated as the ARKANSAS JUNCTION BONE SPRING Pool.

Vertical limits to be the BONE SPRING formation and the horizontal limits should be as follows: as shown in Paragraph (b) Exhibit I

Discovery well was Gulf Oil Corporation Lea ACF State #1 located in Unit A Section 35 Township 18 Range 36 and was completed on January 6, 1985. Top of perforations is at 6285 feet.

It is recommended that a new OIL pool be created and designated as the BRADLEY BONE SPRING Pool.

Vertical limits to be the BONE SPRING formation and the horizontal limits should be as follows: As shown in Paragraph (c) Exhibit I

Discovery well was Gulf Oil Corporation Wilson C Federal #1 located in Unit E Section 29 Township 26 Range 34 and was completed on Nov. 5, 1984. Top of perforations is at 9812 feet.

NEW POOLS

It is recommended that a new GAS pool be created and designated as the RED HILLS-ATOKA GAS Pool.

Vertical limits to be the ATOKA formation and the horizontal limits should be as follows: As shown in Paragraph (g) Exhibit I

Discovery well was HNG Oil Company Vaca 13 Federal #T located in Unit C Section 13 Township 25 Range 33 and was completed on March 9, 1984. Top of perforations is at 14,495 feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____. Top of perforations is at _____ feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____. Top of perforations is at _____ feet.

COUNTY LEA POOL NORTHWEST ANTELOPE RIDGE-BONE SPRING

TOWNSHIP 23 South RANGE 34 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

PURPOSE: One completed oil well capable of producing.

Discovery well: Curry Resources Pronghorn State Well #1-J Sec. 9, T23S, R34E, completed October 5, 1984, in the Bone Spring formation. Top Perf 8501 feet.

Proposed pool boundary outlined in red. Section 9: SE/4

COUNTY LEA

POOL ARKANSAS JUNCTION BONE SPRING

TOWNSHIP 18 South

RANGE 36 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

PURPOSE: One completed oil well capable of producing.

Discovery well: Gulf Oil Corporation Lea ACF State #1-A in Sec 35, T18S, R36E, completed January 6, 1985, in the Bone Spring formation. Top perf 6285 feet.

Proposed pool boundary outlined in red. SECTION 35: NE/4

COUNTY LEA

POOL BRADLEY BONE SPRING

TOWNSHIP 26 South

RANGE 34 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

PURPOSE: One completed oil well capable of producing.

Discovery well: Gulf Oil Corp. Wilson C Federal #1-E in 29-26-34 completed 11/5/84 in Bone Spring formation. Top perf 9812 feet.

Proposed pool boundary outlined in red. SECTION 29: NW/4

COUNTY	LEA	POOL	LANGLEY STRAWN		
TOWNSHIP	22 South	RANGE	36 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

PURPOSE: One completed oil well capable of producing.

Discovery well: ARCO Oil & Gas Company Langley Griffin #1-J in 28-22-36, completed November 7, 1984, in the Strawn formation. Top perf 9340 feet.

A discovery allowable of 186,400 barrels assigned to discovery well.

Proposed pool boundary outlined in red. SECTION 28: SE/4

COUNTY LEA POOL LOWE RANCH-MISSISSIPPIAN GAS

TOWNSHIP 12 South RANGE 37 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

PURPOSE: One completed gas well capable of producing.

Discovery well: Kimbark Oil & Gas Co. M. F. Walker #2-J in Sec 27, T12S, R37E, completed 7/29/84 in the Upper Mississippian formation. Top perf 12,032 ft.

Proposed pool boundary outlined in red. Section 27: SE/4

COUNTY LEA

POOL Mescalero Escarpe-Grayburg

TOWNSHIP

18 South

RANGE

33 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

PURPOSE: One completed oil well capable of producing.

Discovery well: Cities Service Oil & Gas Corp. State DW #5-P in Sec 12, T18S, R33E, completed in the Grayburg formation on 11/13/84. Top perf 5091 ft.

Proposed pool boundary outlined in red. Section 12: SE/4

COUNTY LEA

POOL RED HILLS-ATOKA GAS

TOWNSHIP 25 South

RANGE 33 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

PURPOSE: One completed gas well capable of producing.

Discovery well: HNG Oil Company Vaca 13 Federal #1-C in Sec 13, T25S, R33E, completed 3/9/84 in the Atoka formation. Top perf 14,495 feet.

Proposed pool boundary outlined in red. SECTION 13: N/2

COUNTY LEA POOL ANDERSON RANCH-MORROW GAS

TOWNSHIP 15 South RANGE 32 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

PURPOSE: One completed gas well capable of producing.

H.L. Brown, Jr. State 32 #1-P in 32-15-32 completed 10/20/84 in the Morrow.
Top perf 12,132 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green SECTION 32: S/2

COUNTY LEA

POOL BAGLEY LOWER PENNSYLVANIAN GAS

TOWNSHIP 11 South

RANGE 33 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

PURPOSE: Extend the lower vertical limit of the Bagley Lower Penn Gas Pool to -5700 ft subsea.

Pool boundary outlined in red. Section 34: E/2 SW/4 & SE/4

POOL BAGLEY LOWER PENNSYLVANIAN GAS

RANGE 33 East

NMPM

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a boustrophedon pattern, starting from the top right (1) and moving left, then down to the next row and moving right, and so on. A red rectangular box highlights the cell containing the number 3, which is located in the first row, fourth column from the right.

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

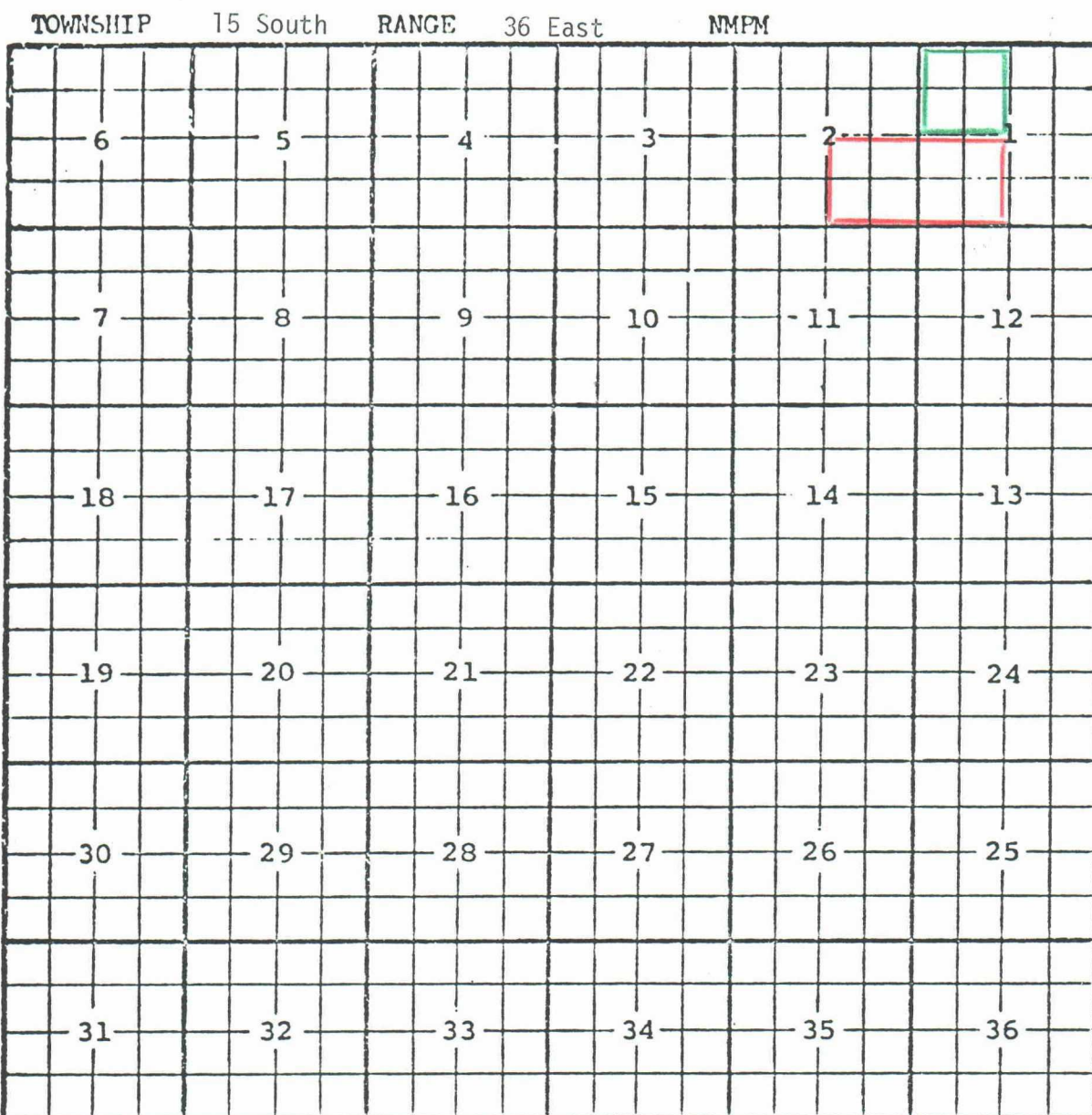
Purpose: See page 1 of this exhibit

Pool boundary outlined in red. Section 3: N/2

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. At the bottom edge, there are two circular punch holes, one towards the left and one towards the right, indicating it was part of a binder. The paper appears slightly aged or off-white.

COUNTY LEA

POOL NORTHEAST CAUDILL-WOLFCAMP



PURPOSE: One completed oil well capable of producing.

Brittany Drilling Company Alexander #1-E in Sec 1, T15S, R36E, completed December 18, 1984, in the Wolfcamp formation. Top perf 10,798 feet

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 1: NW/4

COUNTY CHAVES

POOL

CEDAR POINT-STRAWN

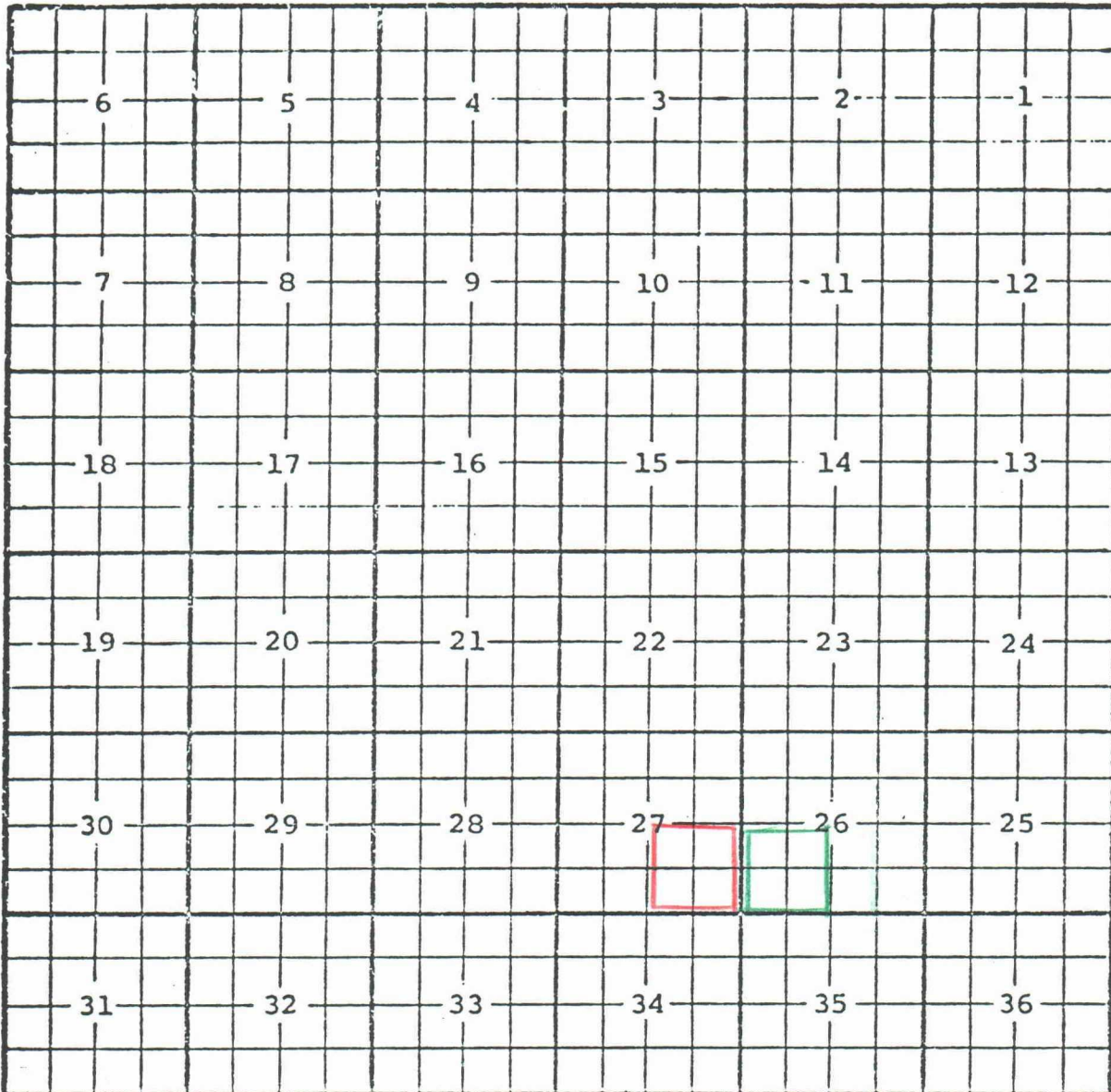
TOWNSHIP

15 South

RANGE

30 East

NMPM



PURPOSE: One completed oil well capable of producing.

Hilliard Oil & Gas, Inc. Hilliard B Federal #1-L in Sec 26, T15S, R30E,
completed 12/6/84 in the Strawn formation. Top perf 10,672 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 26: SW/4

COUNTY LEA

POOL

DOUBLE X DELAWARE

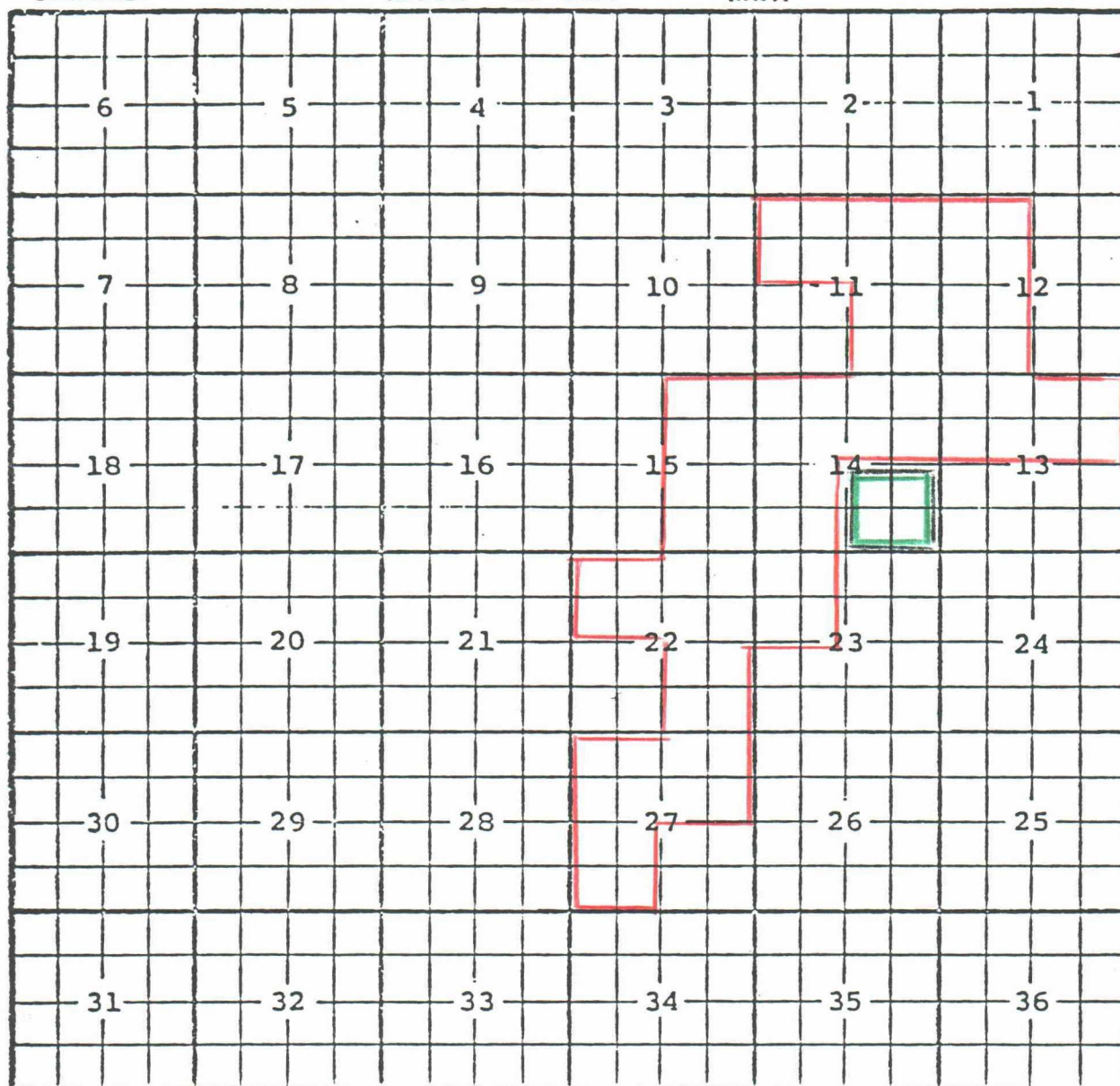
TOWNSHIP

24 South

RANGE

32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Tenneco Oil Company Jennings Federal #6-J in Sec 14, T24S, R32E, completed January 3, 1985, in the Delaware formation. Top perf 4916 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 14: SE/4

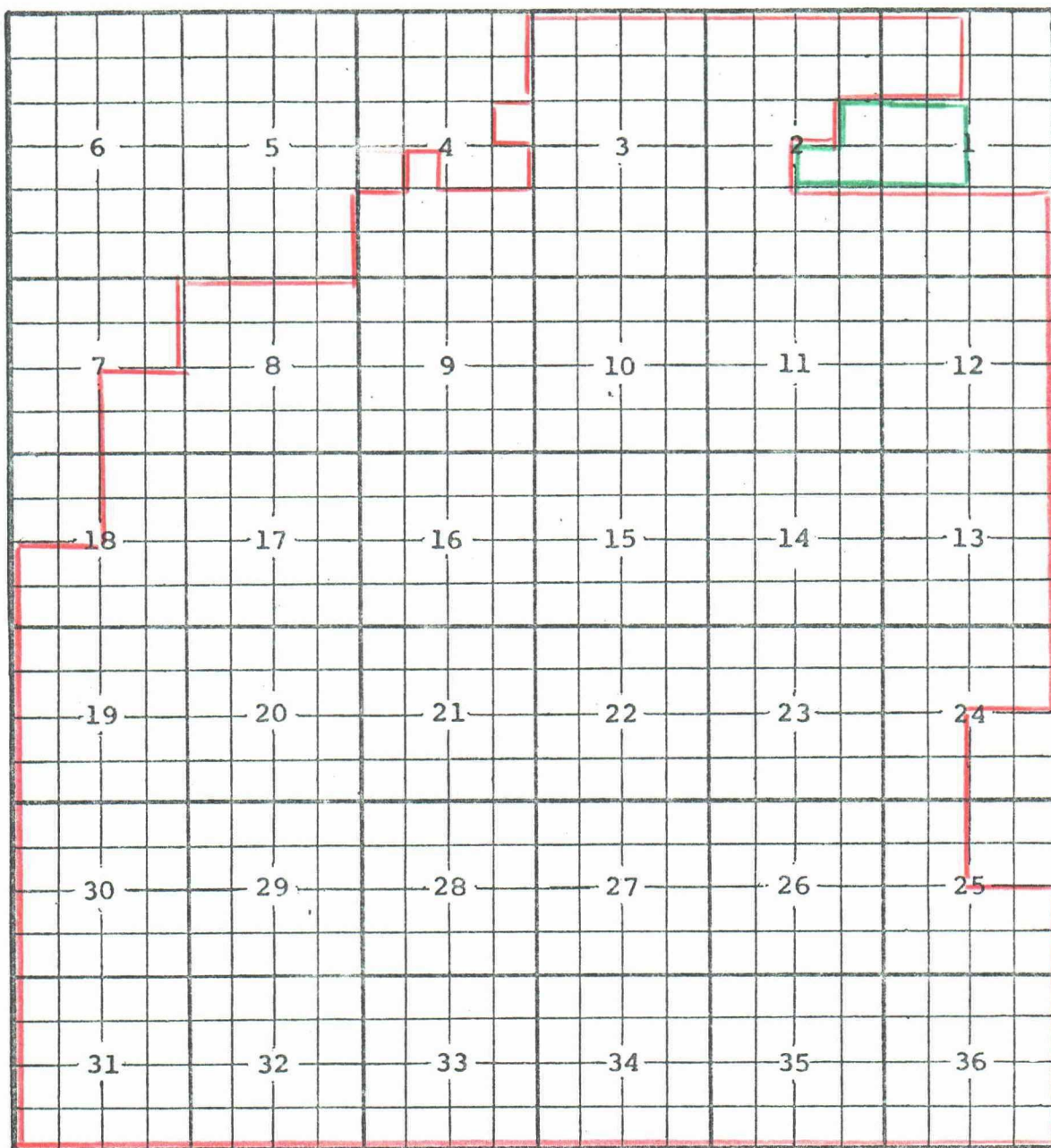
COUNTY LEA

POOL DRINKARD

TOWNSHIP 21 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Elliott Oil Company Elliott B #4-L in sec. 1, T21S, R37E, completed Dec. 17, 1984, in the Drinkard formation. Top perf 6958 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 1: Lots 11,12,13,14

Section 2: Lots 9, 15, and 16

COUNTY LEA

POOL EK-BONE SPRING

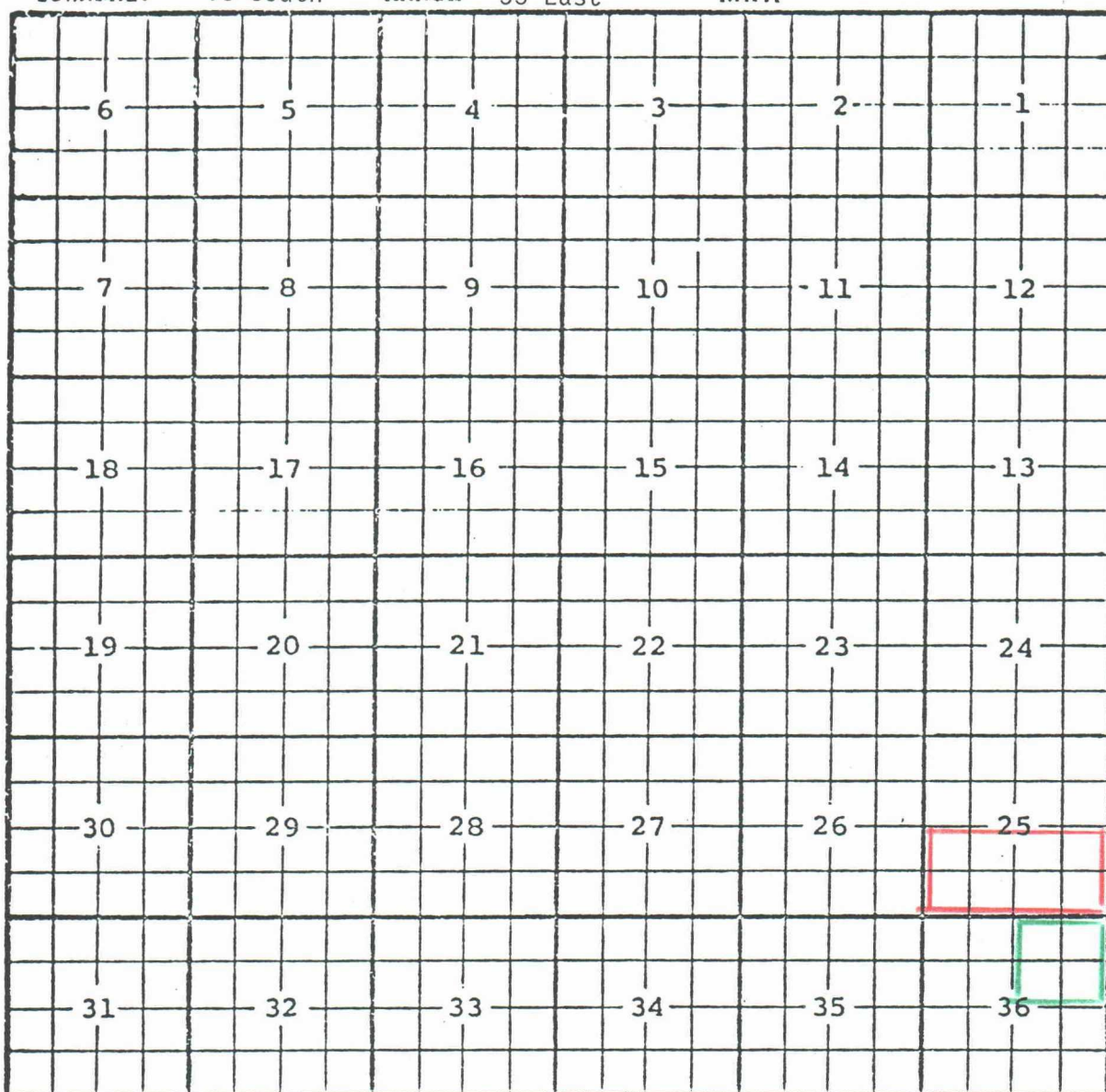
TOWNSHIP

18 South

RANGE

33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Hamon Oil Company New Mexico 36 State Com #1-B in Sec 36, T18S, R33E, completed Dec. 18, 1984, in the Bone Spring formation. Top perf 9474 feet.

Pool boundary outlined in red.

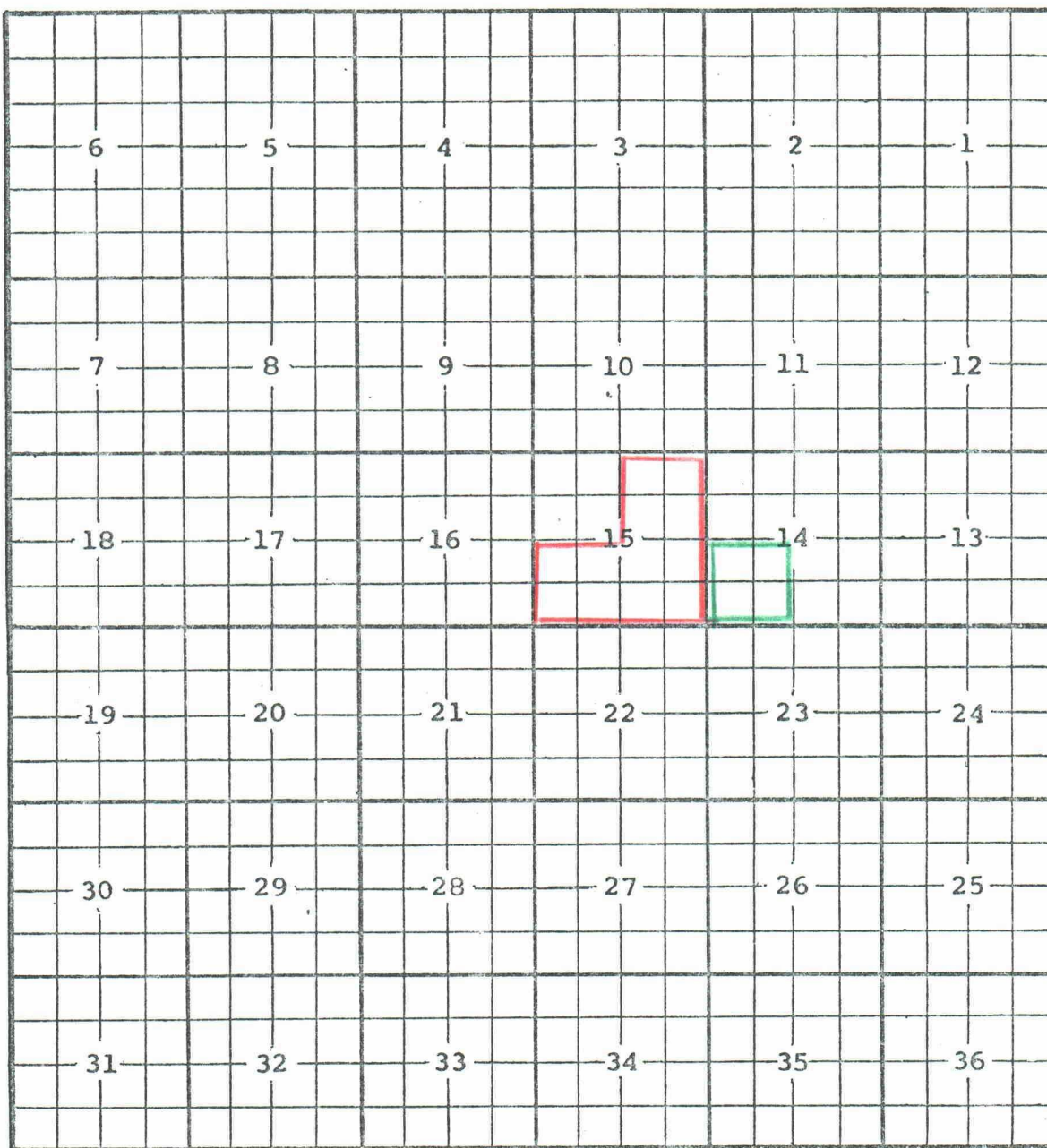
Proposed pool extension outlined in green. SECTION 36: NE/4

COUNTY LEA

POOL WEST HUME-QUEEN POOL

TOWNSHIP 16 South RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

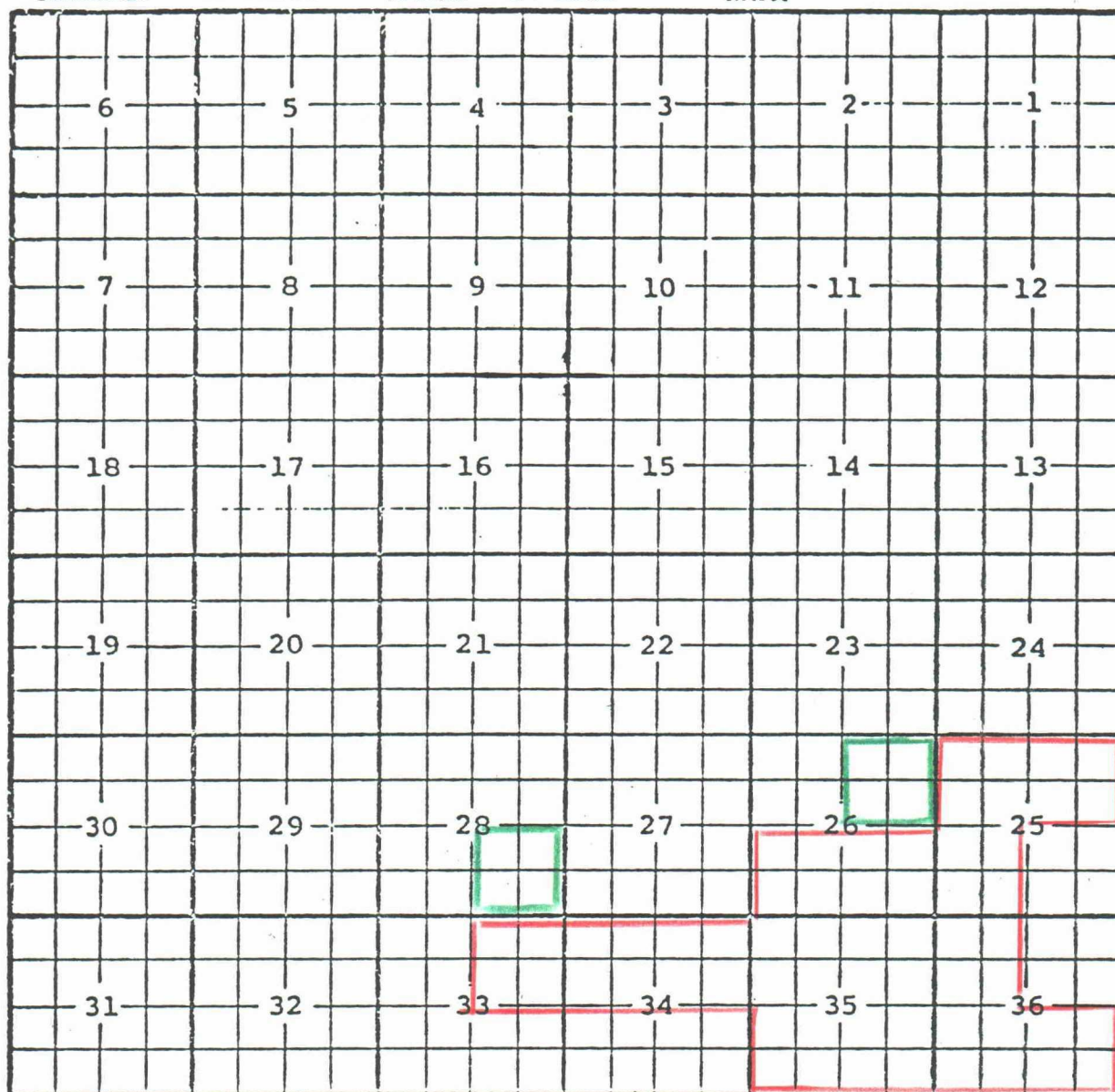
Casa Petroleum Inc. Pogo Napa #1-L in Sec 14, T16S, R33E, completed 1/2/85 in the Queen formation. Top perf 3931 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 14: SW/4

COUNTY LEA POOL PEARL QUEEN

TOWNSHIP 19 South RANGE 34 East NMFM



PURPOSE: Two completed oil wells capable of producing.

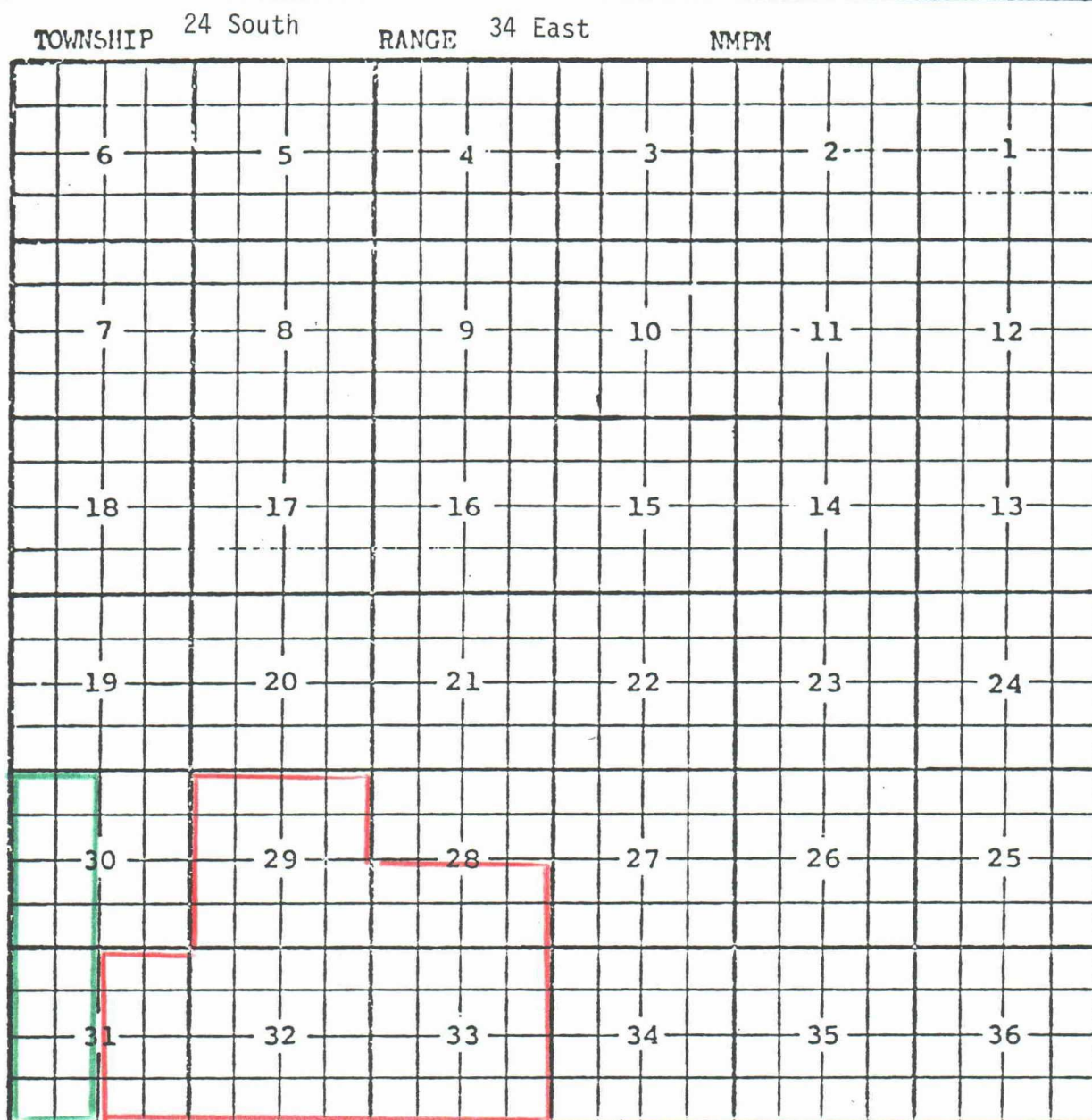
MorOil Co. Inc. Stivason Fed #2-0 in Sec 28, T19S, R34E, completed 1/14/85 in Queen formation. Top perf 4523 feet.

C.W. Stumhoffer Stivason Federal #1-A in Sec 26, T19S, R34E, completed 10/20/84 in the Queen formation. Top perf 4922 feet.

Pool boundary outlined in red. ▶

Proposed pool extension outlined in green. SECTION 26: NE/4
Section 28: SE/4

COUNTY LEA POOL PITCHFORK RANCH-MORROW GAS



PURPOSE: Two completed gas wells capable of producing.
 Southland Royalty Co. Vaca Ridge 30 Fed Com #1-K in Sec. 30, T24S, R34E,
 completed 12/22/84 in the Morrow formation. Top perf 14,854 feet.
 HNG Oil Company Diamond 31 Federal #1-K in Sec 31, T24S, R34E, completed
 Dec. 17, 1984, in the Morrow formation. Top perf 15,203 feet.

Pool boundary outlined in red. *

Proposed pool extension outlined in green. Section 30: W/2

Section 31: W/2

COUNTY

LEA

POOL

SAUNDERS PERMO-UPPER PENNSYLVANIAN

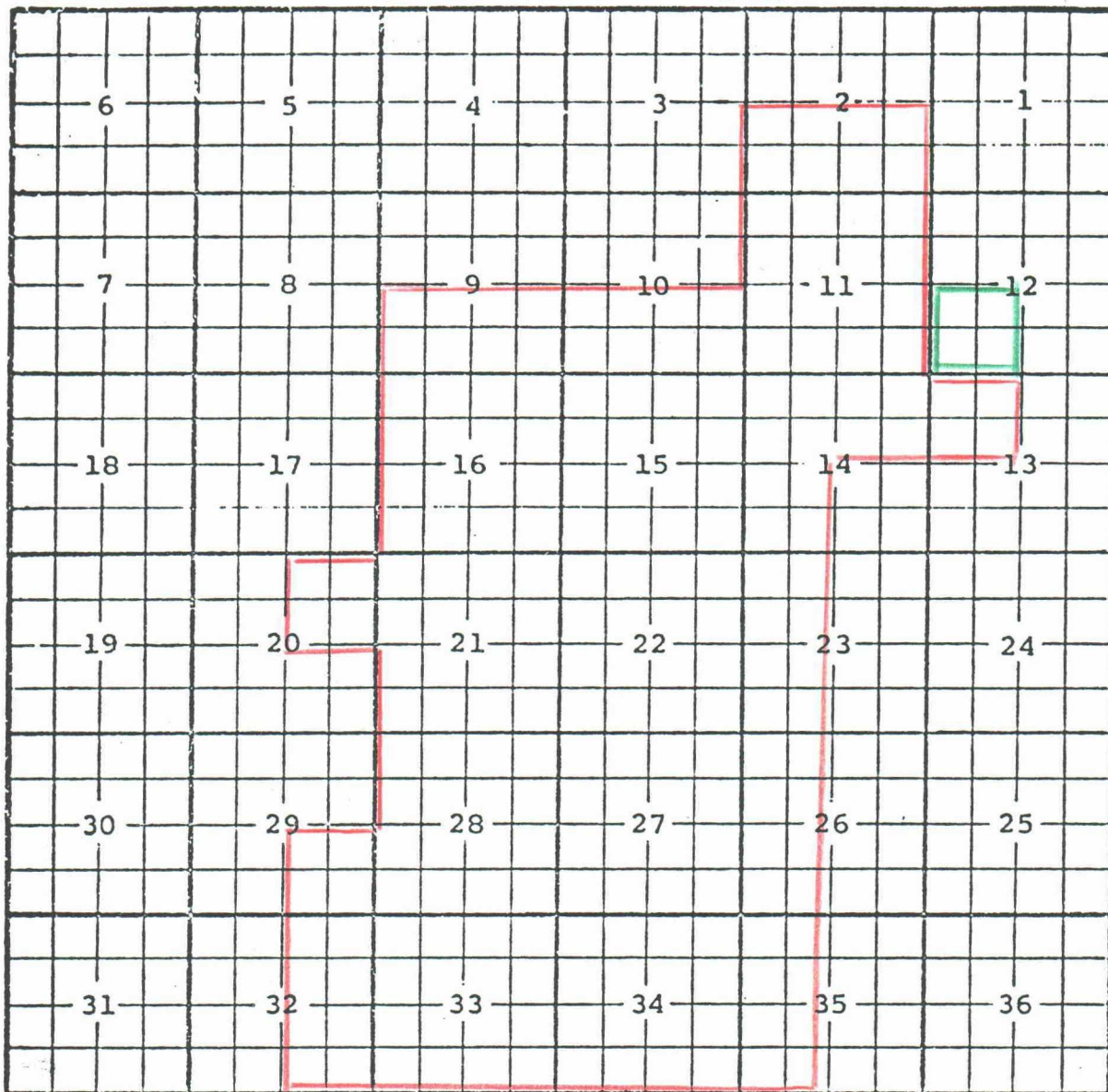
TOWNSHIP

14 South

RANGE

33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Yates Pet. Corp. Harris AAU State #1-M in Sec 12, T14S, R33E, completed 12/22/84 in the Bough A,B,C,

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 12: SW/4

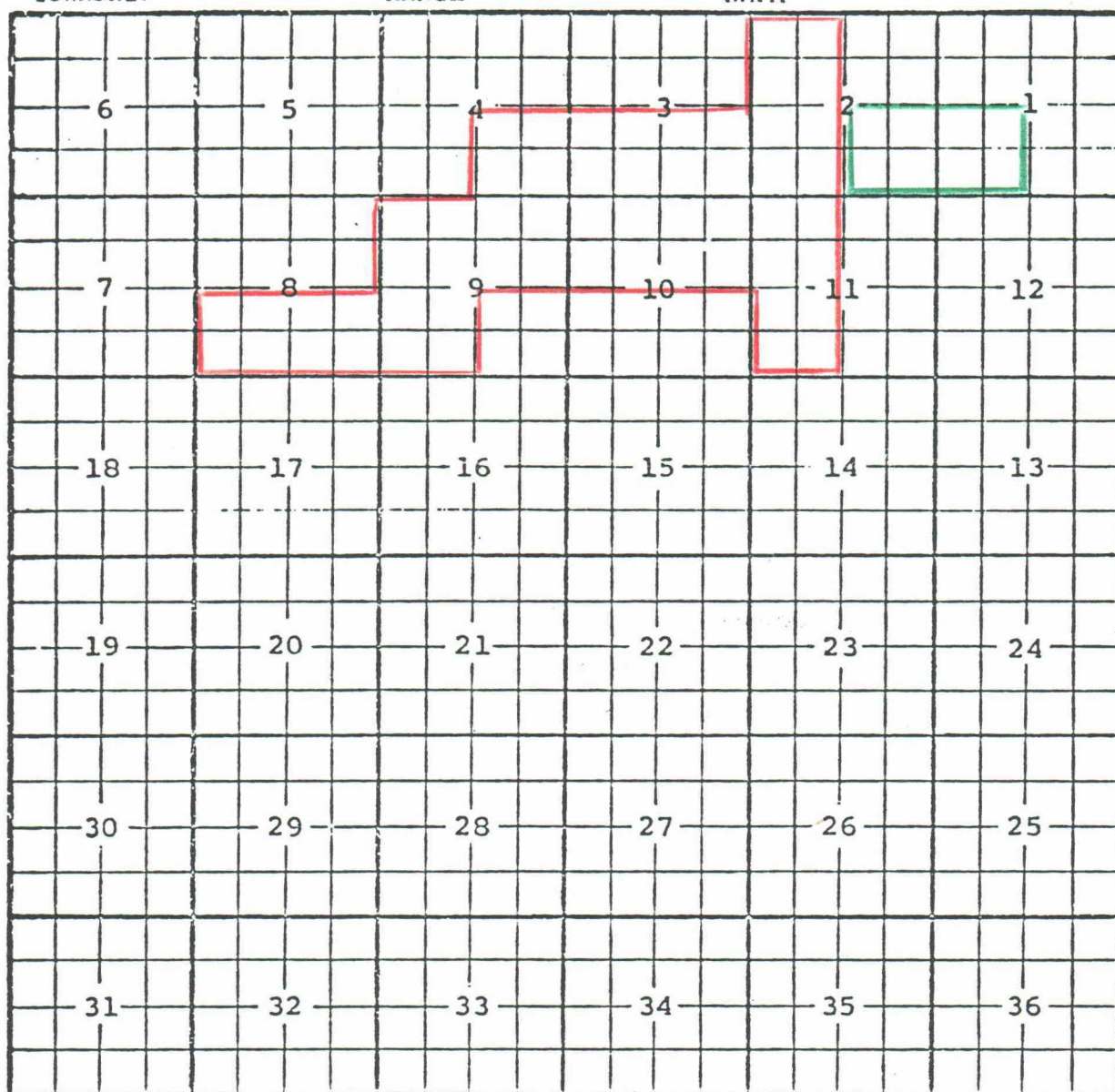
COUNTY LEA

POOL NORTH YOUNG BONE SPRING

TOWNSHIP 18 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Harvey E. Yates Amoco 1 Federal #1-K in Sec 1, T18S, R32E, completed 12/18/84 in the Bone Spring formation. Top perf 8697 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 1: SW/4

SECTION 2: SE/4