

CASE NO. 8908

EXHIBIT I

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

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Lutes production and designated as the Buffalo-Yates Pool. Further, assign approximately 17,530 barrels of discovery allowable to the discovery well, the Amoco Production Company Nellis Fed Well No. 3 located in Unit F of Section 6, Township 19 South, Range 33 East, NMPM. Said Pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Lea-Delaware Pool. The discovery well is the Spectrum 7 Exploration Company Mobil State Well No. 1 located in Unit J of Section 1, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Lea-Wolfcamp Gas Pool. The discovery well is the TX Production Corporation Jordan B Well No. 2 located in Unit G of Section 11, Township 20 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 11: N/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production with special vertical limits from the top of the Strawn formation at 10,382 feet to the base of the Strawn formation at 11,091 feet as found on Section Mobil Oil Company State Bridges Well No. 20 located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM, type log for Vacuum area Pennsylvanian pools, said pool to be designated as the Vacuum-Strawn Pool. The discovery well is the Mobil Producing TX & NM Inc. Bridges State Well No. 506 located in Unit N of Section 13, Township 17 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 13: SW/4

- (e) CONTRACT the horizontal limits of the West Mesclero-Pennsylvanian Pool in Lea County, New Mexico, in order to correct an overlap with the Mesclero-Pardo Pennsylvanian Pool, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 33: NW/4

- (f) EXTEND the Antelope Ridge-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 33: W/2 W/2

- (g) EXTEND the Cary-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 28: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 23: SE/4
Section 24: SW/4

- (j) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 34: N/2

- (k) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: SW/4
Section 25: NW/4
Section 26: E/2 NE/4 and S/2
Section 27: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 13: NW/4
Section 14: E/2

- (m) EXTEND the Sand Dunes-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4
Section 7: W/2

ILLEGIBLE

NEW POOLS

It is recommended that a new oil pool be created and designated as the Buffalo-Yates Pool.

Vertical limits to be the Yates formation and the horizontal limits should be as follows: As outlined in Paragraph (a) Exhibit I

Discovery well was Amoco Prod. Co. Nellis Fed. #3 located in Unit F Section 6 Township 19 Range 33 and was completed on February 7, 1986. Top of perforations is at 3,530 feet.

It is recommended that a new oil pool be created and designated as the Northeast Lea-Delaware Pool.

Vertical limits to be the Delaware formation and the horizontal limits should be as follows: As outlined in Paragraph (b) Exhibit I

Discovery well was Spectrum 7 Exploration Company Mobil State #1 located in Unit J Section 2 Township 20 Range 34 and was completed on March 28, 1986. Top of perforations is at 5,626 feet.

It is recommended that a new gas pool be created and designated as the Lea-Wolfcamp Gas Pool.

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

Discovery well was TXO Production Corporation Jordan B #2 located in Unit G Section 11 Township 20 Range 35 and was completed on June 17, 1985. Top of perforations is at 11,440 feet.

NEW POOLS

It is recommended that a new oil pool be created and designated as the Vacuum-Strawn Pool.

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

Discovery well was Mobil Producing TX & N. M. Inc. Bridges State #506 located in Unit N Section 13 Township 17 Range 34 and was completed on March 20, 1986. Top of perforations is at 11,000 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 BUFFALO-YATES

TOWNSHIP 19 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	

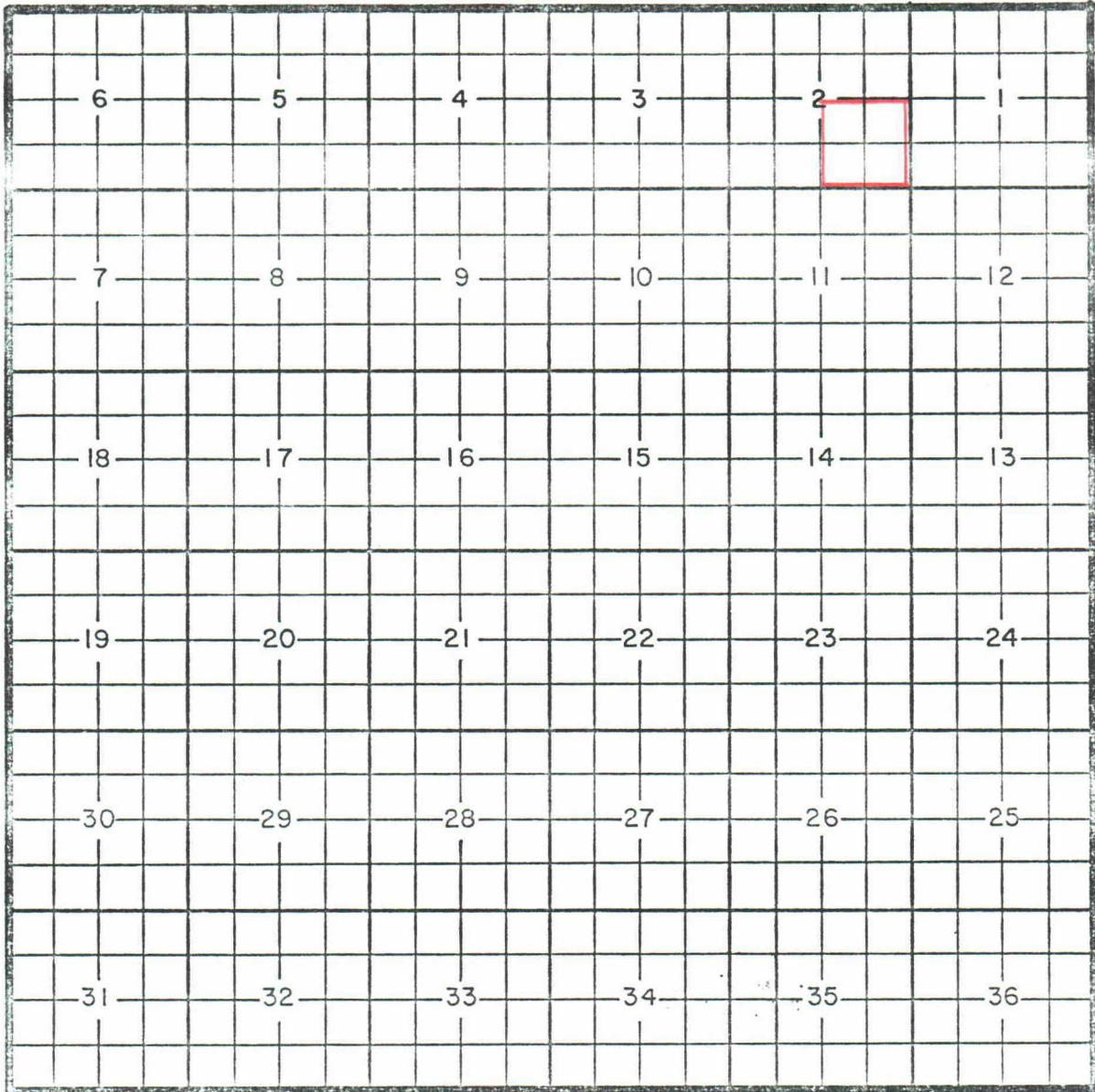
PURPOSE: One completed oil well capable of producing.

Amoco Production Company Nellis Federal #3-F in Sec. 6, T19S, R33E completed February 7, 1986, in the Yates formation. Top perforations is at 3,530 feet. Also, assign a discovery allowable of 17,550 barrels.

Proposed pool boundary outlined in red. Section 6: NW/4

COUNTY LEA POOL NORTHEAST LEA-DELAWARE

TOWNSHIP 20 South RANGE 34 East NMPM



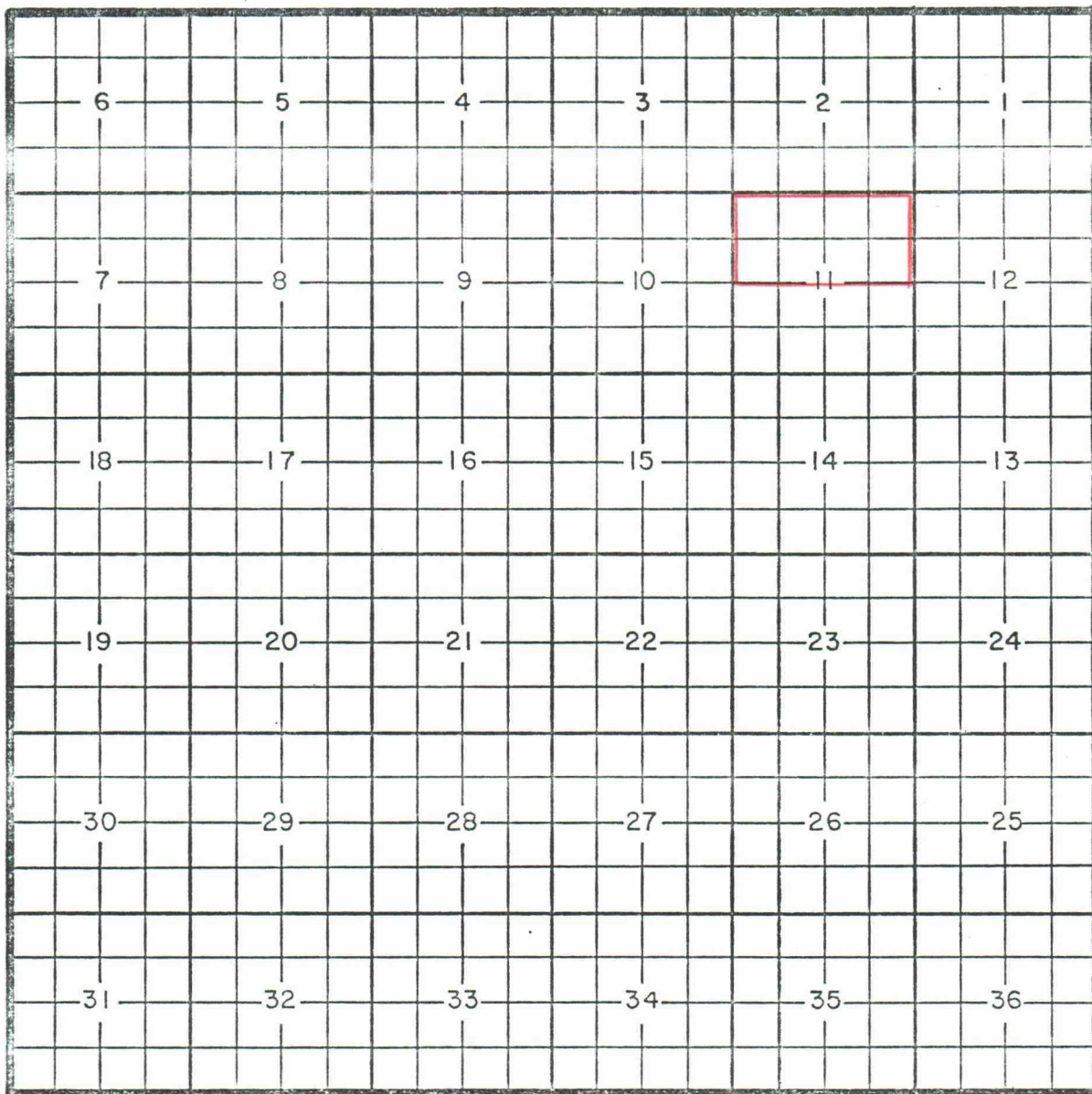
PURPOSE: One completed oil well capable of producing.

Spectrum 7 Exploration Corporation Mobil State #1-J in Sec. 2, T20S, R34E,
completed March 28, 1986, in the Delaware formation. Top perforations
is at 5,626 feet.

Proposed pool boundary outlined in red. Section 2: SE/4

COUNTY LEA POOL LEA-WOLFCAMP GAS

TOWNSHIP 20 South RANGE 35 East NMPM



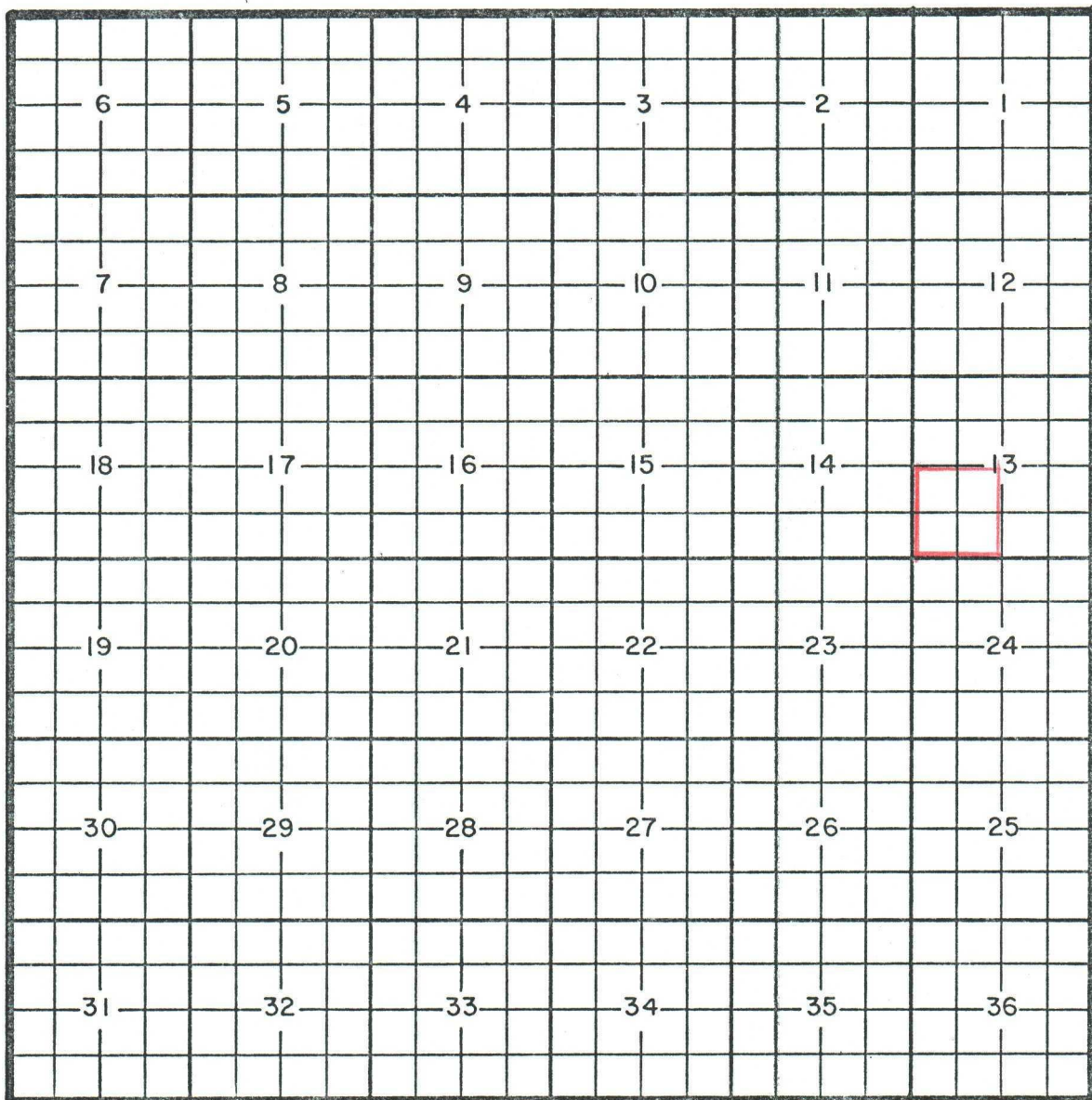
PURPOSE: One completed gas well capable of producing.

TXO Production Corporation Jordan B #2-G in Sec. 11, T20S, R35E, completed June 17, 1985, in the Wolfcamp formation. Top perforations is at 11,440 feet.

Proposed pool boundary outlined in red. Section 11: N/2

COUNTY LEA POOL VACUUM-STRAWN

TOWNSHIP 17 South RANGE 34 East NMPM



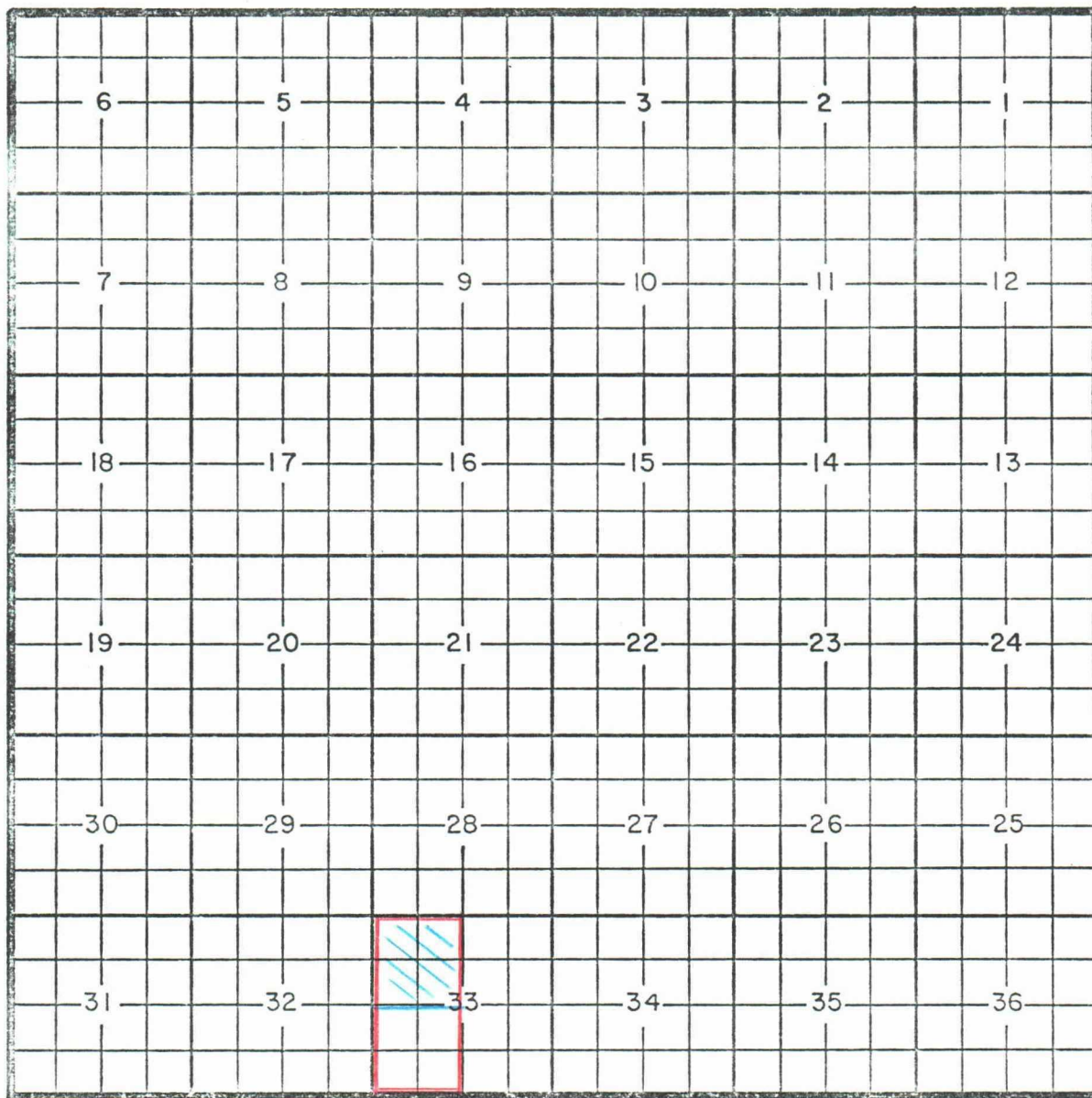
PURPOSE: One completed oil well capable of producing.

Mobil Producing TX & N. M. INC. Bridges State #506-N in Sec. 13, T17S, R34E, completed March 20, 1986, in the Strawn formation. Top perforations is at 11,000 feet.

Proposed pool boundary outlined in red. Section 13: SW/4

COUNTY LEA POOL WEST MESCALERO-PENNSYLVANIAN

TOWNSHIP 10 South RANGE 32 East NMPM



PURPOSE: To correct an overlap with the Mescalero-Permo Pennsylvanian Pool.

Pool boundary outlined in red.

Proposed pool contraction outlined in blue. Section 33: NW/4

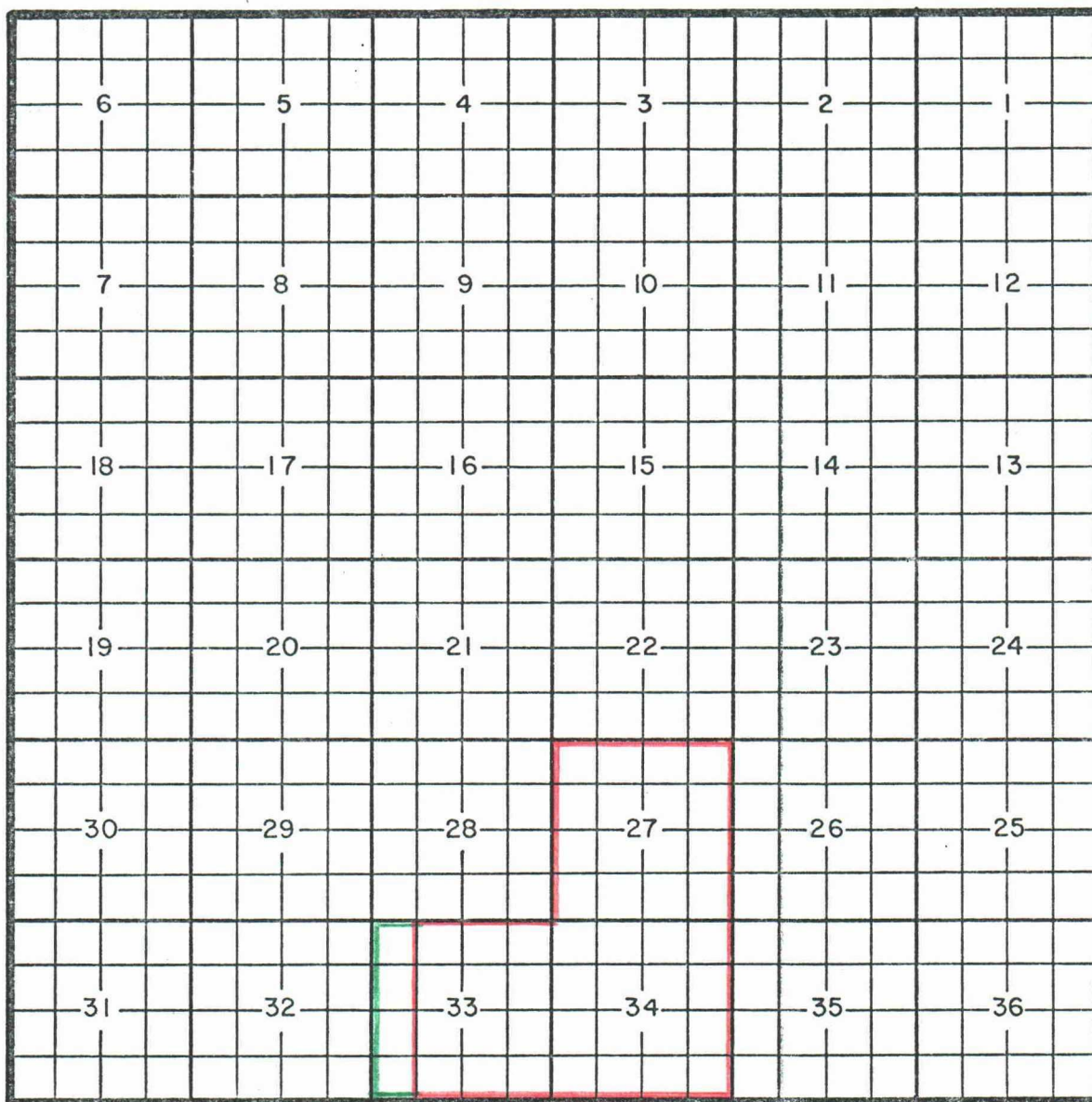
COUNTY LEA

POOL ANTELOPE RIDGE-DEVONIAN GAS

TOWNSHIP 23 South

RANGE 34 East

NMPM



PURPOSE: Completion of one gas well capable of producing.

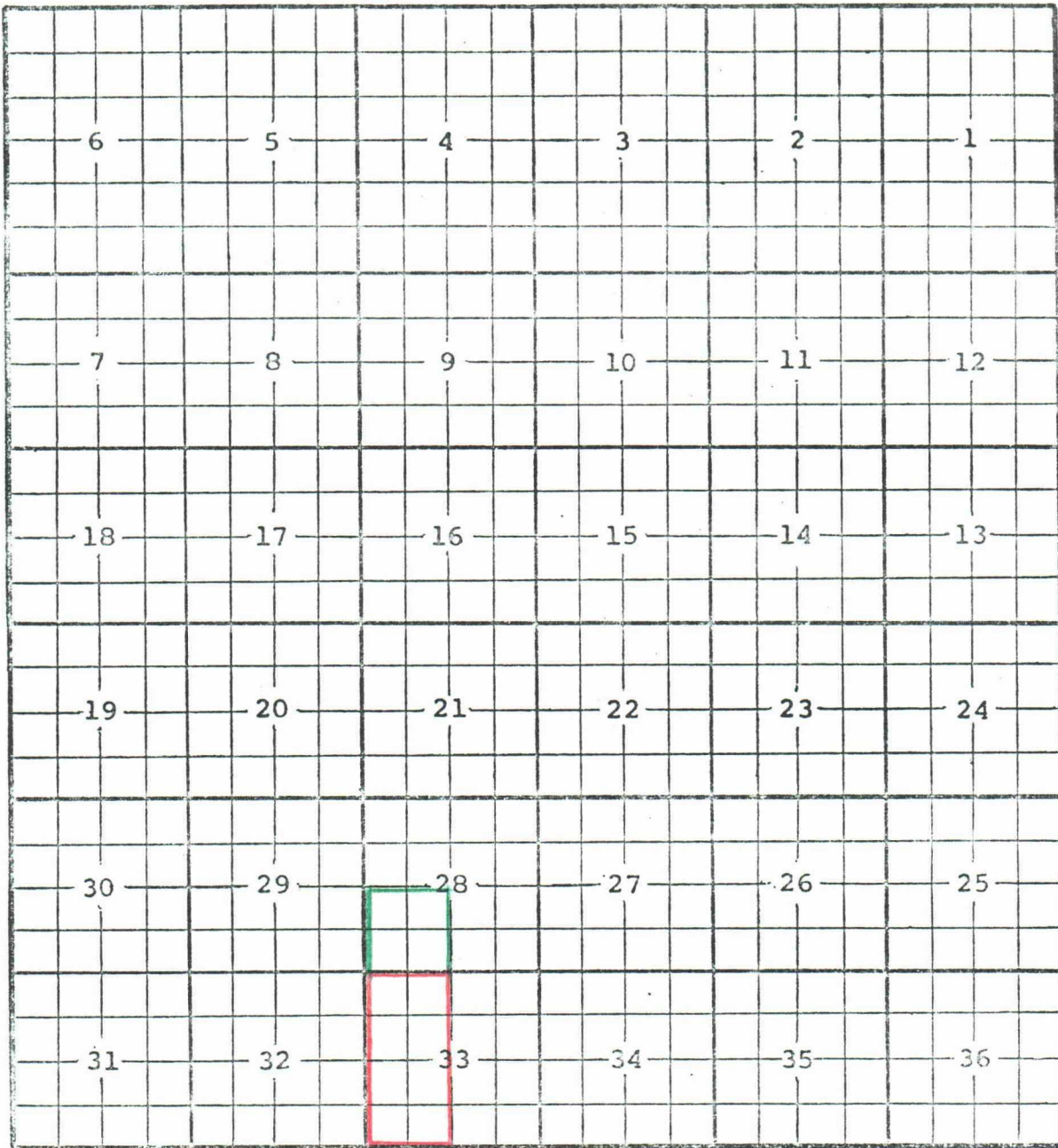
Shell Western E&P Inc. Antelope Ridge Unit #9-P in Sec. 33, T23S, R34E, completed January 28, 1986, in the Devonian formation. Top perforations is at 14,647 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 33: W/2 W/2

COUNTY LEA POOL CARY-MONTOYA

TOWNSHIP 21 South RANGE 37 East NMPM



PURPOSE: One completed oil well capable of producing.

Mobil Producing TX & N. M. Inc. E. O. Carson #21-L in Sec. 28, T21S, R37E, completed March 25, 1986, in the Montoya formation. Top perforations is at 7,285 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 28: SW/4

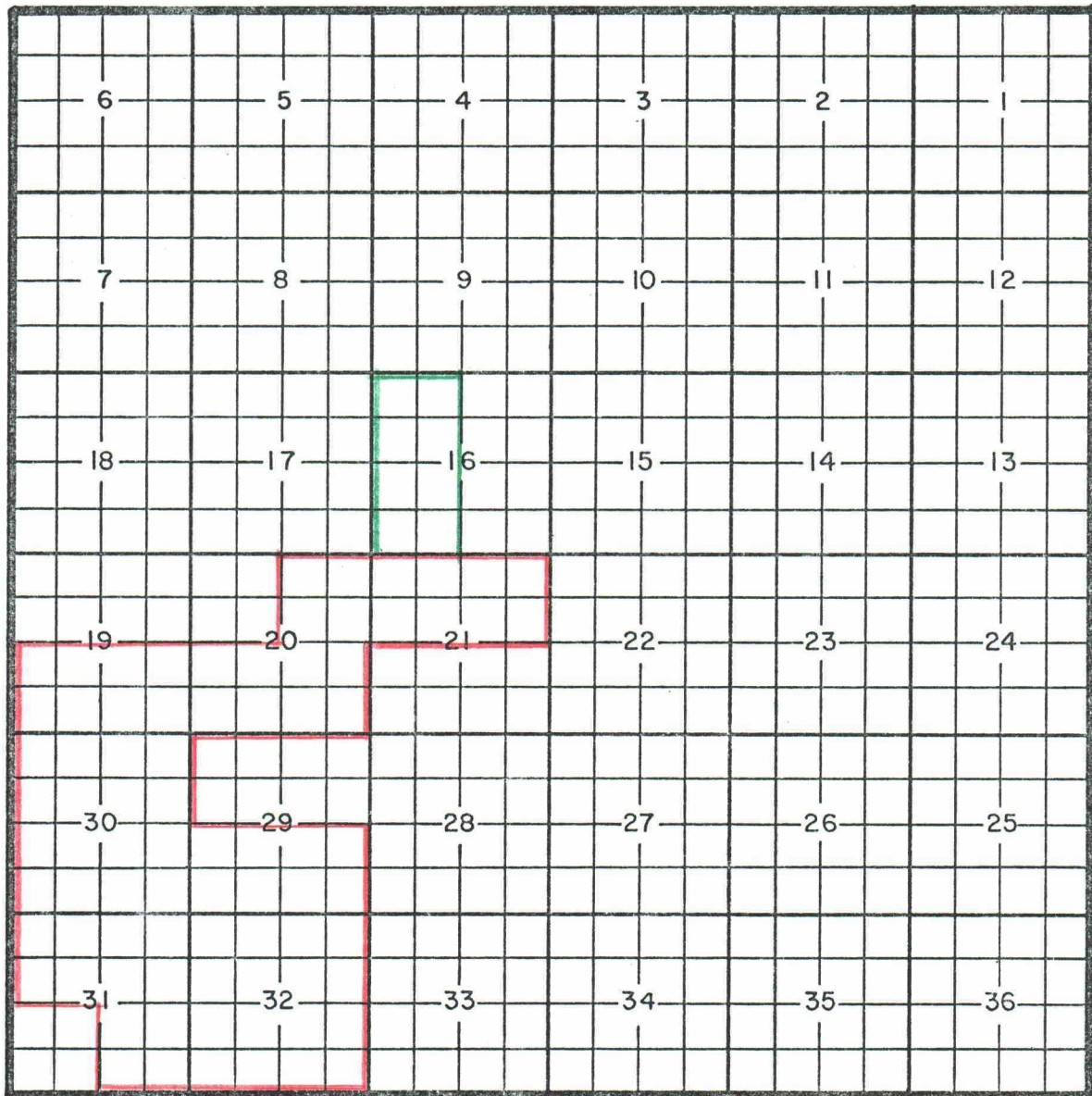
COUNTY LEA

POOL GEM-MORROW GAS

TOWNSHIP 19 South

RANGE 33 East

NMPM



PURPOSE: One completed gas well capable of producing.

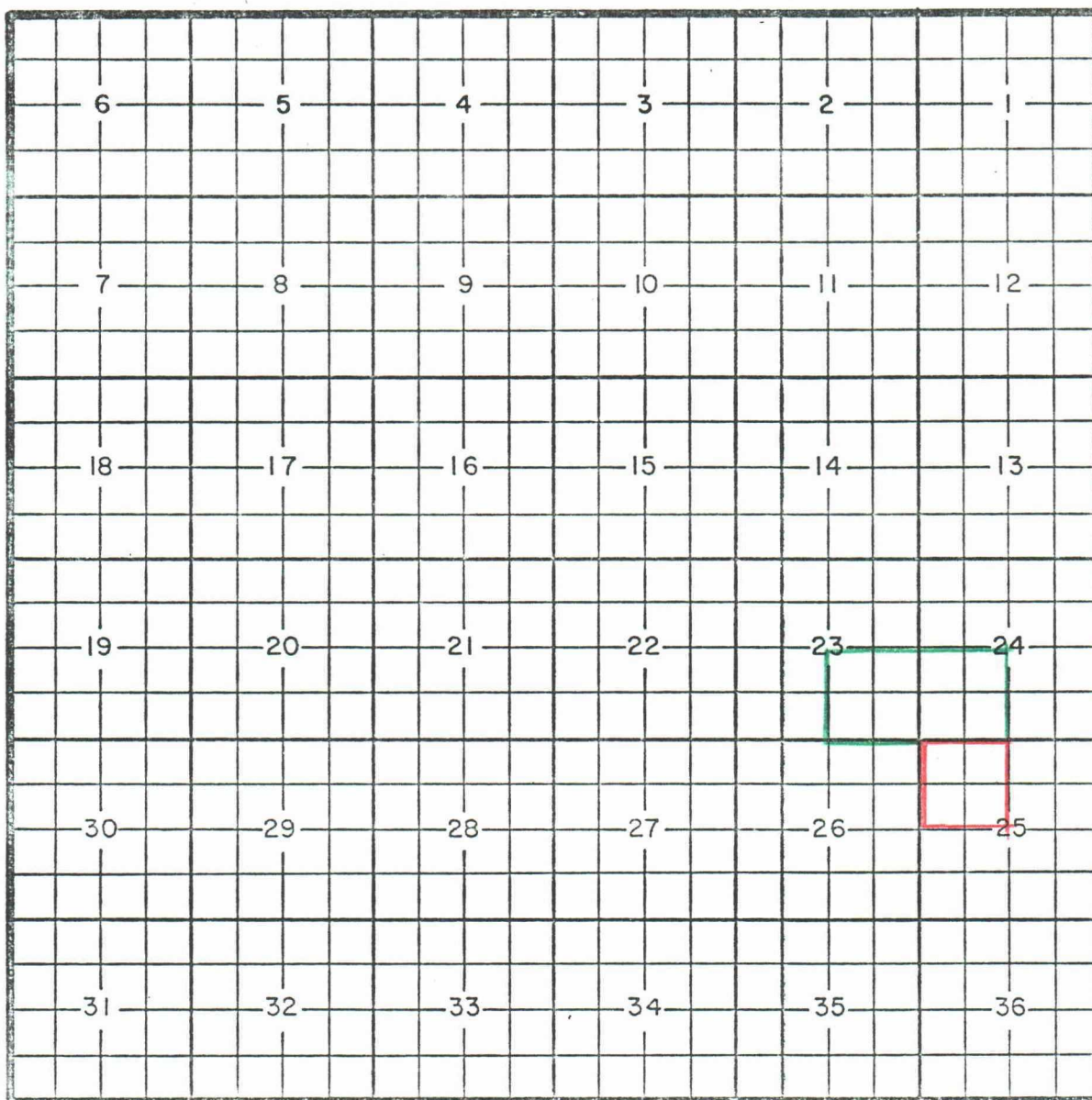
Sun Exploration & Production Company Maduro State Com #1-L in Sec. 16, T19S, R33E, completed February 23, 1986, in the Morrow formation. Top perforations is at 13,216 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 16: W/2

COUNTY LEA POOL SOUTH LEA-BONE SPRING

TOWNSHIP 20 South RANGE 34 East NMPM



PURPOSE: One completed oil well capable of producing.

Nearburg Producing Company Rett Federal Com #1Y-P in Sec. 23, T20S, R34E, completed April 2, 1986, in the Bone Spring formation. Top perforations is at 9,104 feet.

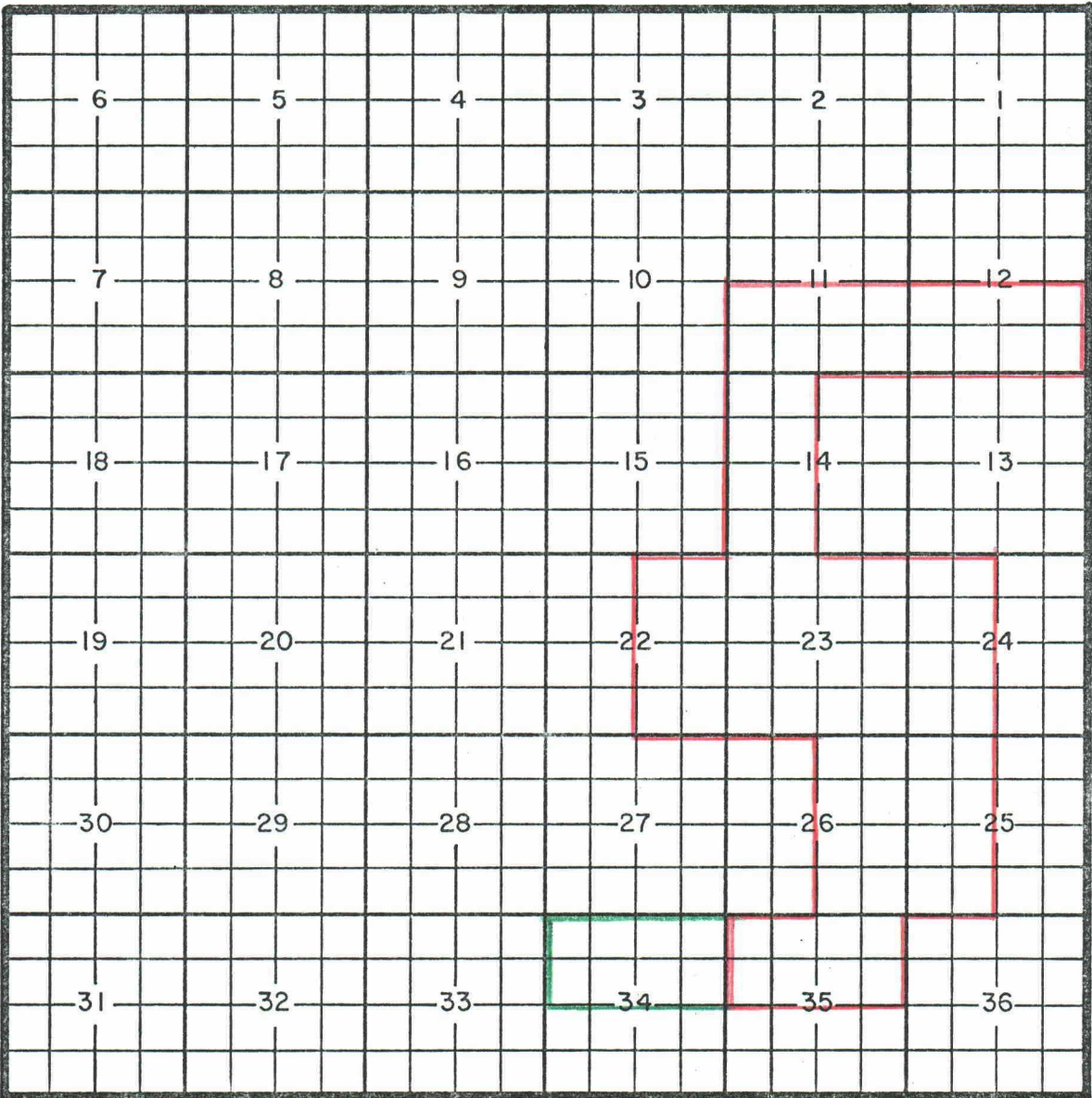
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 23: SE/4

Section 24: SW/4

COUNTY LEA POOL WEST OSUDO-MORROW GAS

TOWNSHIP 20 South RANGE 35 East NMPM



PURPOSE: One completed gas well capable of producing.

Nearburg Producing Company Hot Tamale State #1-A in Sec. 34, T20S, R35E, completed January 8, 1986, in the Morrow formation. The top of the perforations is at 13,478 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 34: N/2

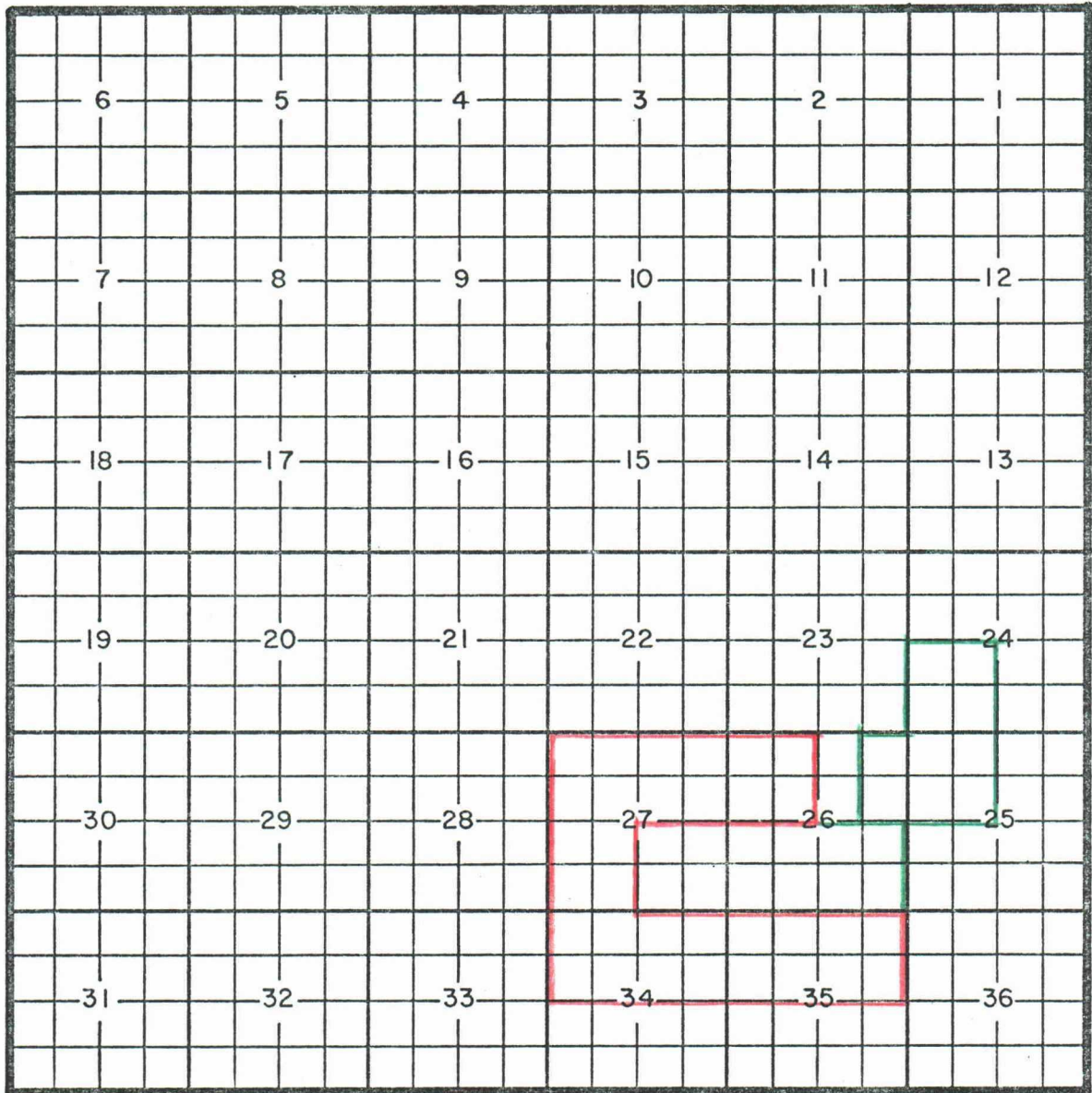
COUNTY LEA

POOL QUERECHO PLAINS-UPPER BONE SPRING

TOWNSHIP 18 South

RANGE 32 East

NMPM



PURPOSE: Two completed oil wells capable of producing.

TXO Production Corporation French Federal #1-M in Sec. 24, T18S, R32E, completed March 20, 1986, in the Upper Bone Spring formation. Top perms. 8,534 feet. TXO Production Corporation Burleson Federal #2-A in Sec. 26, T18S, R32E, completed February 19, 1986, in the Upper Bone Spring formation. The top of the perforations is at 8,515 feet.

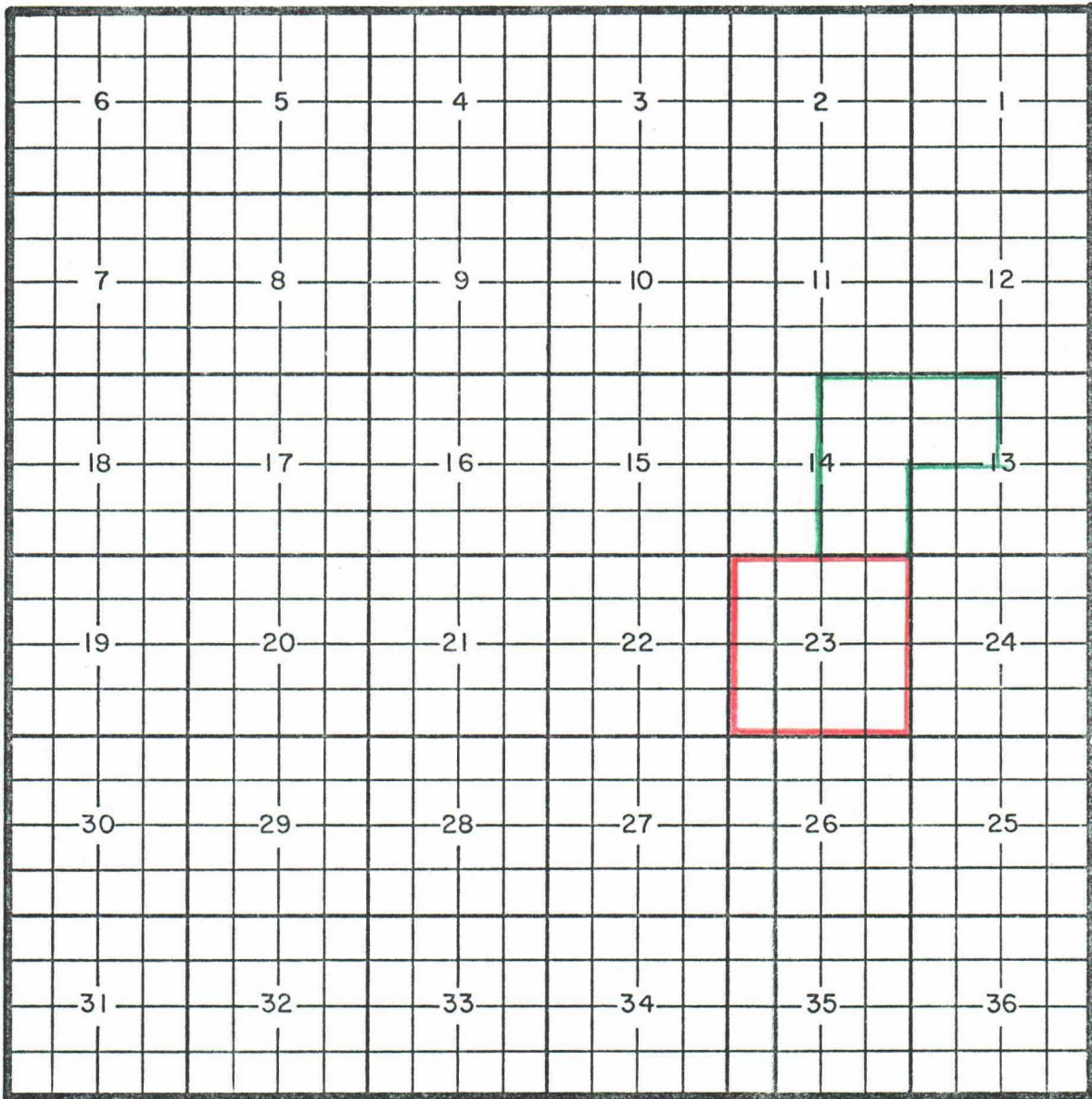
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 24: SW/4

Section 25: NW/4 Section 26: E/2 NE/4 & S/2; Section 27: SE/4

COUNTY LEA POOL REEVES-BONE SPRING

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

Mitchell Energy Corporation Abo 13 State #1-D in Sec. 13, T18S, R35E, completed March 26, 1986 in the Bone Spring formation. The top of the perforations is at 8,578 feet.

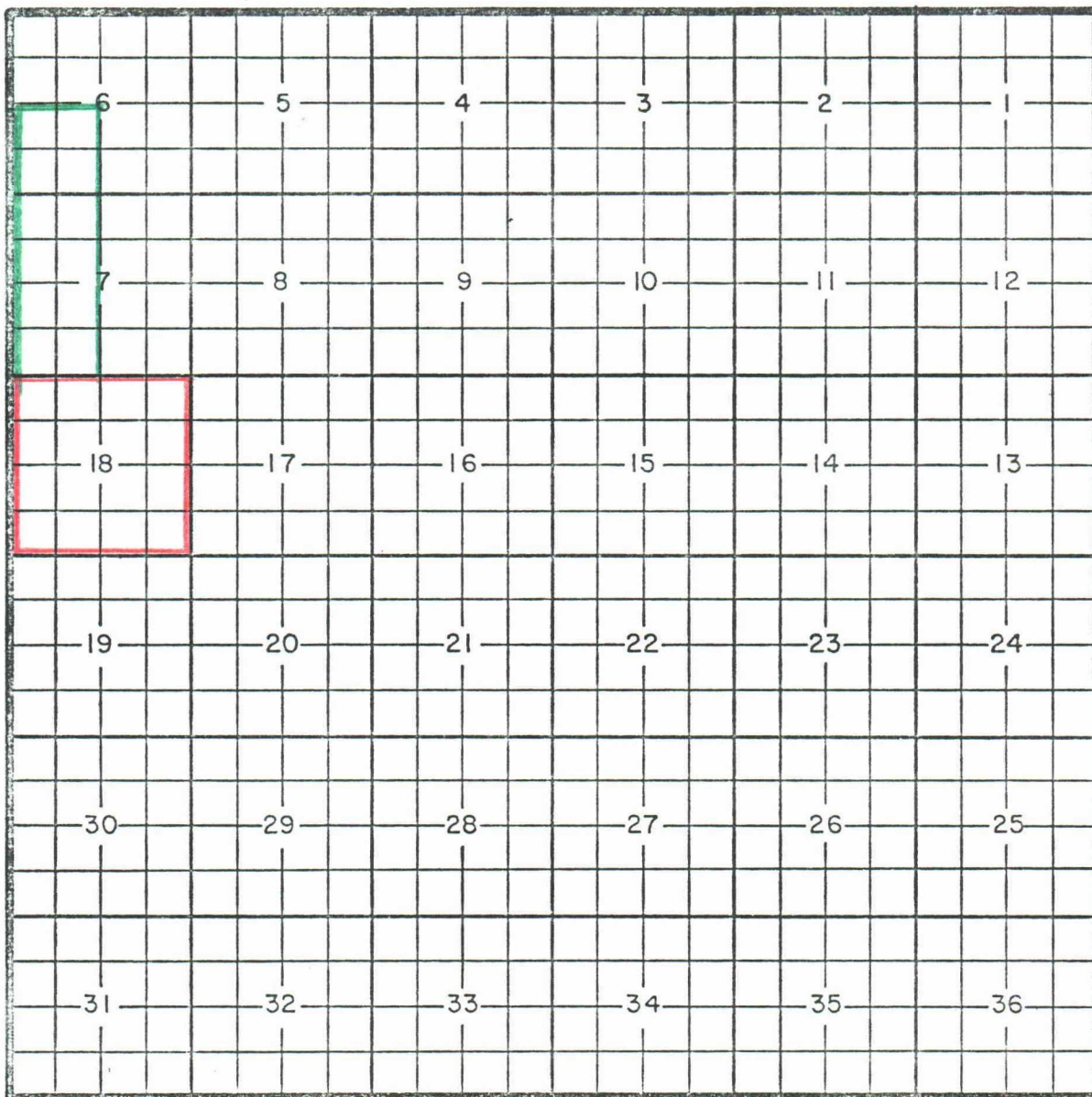
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: NW/4

Section 14: E/2

COUNTY LEA POOL SAND DUNES-BONE SPRING

TOWNSHIP 23 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

Santa Fe Energy Company Platinum 6 Federal #1-N in Sec. 6, T23S, R32E, completed January 1, 1986, in the Bone Spring formation. The top of the perforations is at 10,318 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 6: SW/4

Section 7: W/2