

CASE NO. 8222

EXHIBIT I

SE 3222: In the matter of the hearing called by the Oil Conservation Division of the State of New Mexico, creating, abolishing, contracting and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Northwest Austin-Mississippian Gas Pool. The discovery well is the Harvey E. Yates Company Duncan Unit Well No. 3 located in Unit N of Section 26, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 26: S/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Bishop Canyon-San Andres Pool. The discovery well is the Bishop Canyon Uranium Company Forest A Well No. 1 located in Unit A of Section 11, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Bishop Canyon-San Andres Pool. The discovery well is the H. L. Brown, Jr. Houston Well No. 1 located in Unit H of Section 9, Township 18 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 9: E/2
Section 10: W/2

Docket No. 22-34

- (d) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the West Caprock-Morrow Gas Pool. The discovery well is the Enserch Exploration, Inc. State 13 Well No. 1 located in Unit L of Section 13, Township 12 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 13: W/2

- (e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Permo Upper Pennsylvanian production and designated as the Cedar Point-Permo Upper Pennsylvanian Pool. Further, to assign approximately 25,050 barrels of discovery allowable to the discovery well the McClellan Oil Corporation McClellan A Federal Well No. 2 located in Unit H of Section 27, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 27: NE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Queen production and designated as the North Corbin-Queen Gas Pool. The discovery well is the Phillips Oil Company Leamex Well No. 20 located in Unit B of Section 23, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Southeast Denton-Pennsylvanian Pool. The discovery well is the Newmont Oil Company State 16 Well No. 1 located in Unit K of Section 16, Township 15 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Mescalero Escarpe-Bone Spring Pool. Further, to assign approximately 23,530 barrels of discovery allowable to the discovery well the Cities Service Oil and Gas Corporation State DW Well No. 1 located in Unit J 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

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Salado Draw-Delaware pool. The discovery well is The Superior Oil Company State 36 Well No. 1 located in Unit G of Section 36, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 36: NE/4

- (j) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production and designated as the Tanneyhill-Fusselman Pool. The discovery well is the Energy Reserves Group, Inc. Miller Well No. 1 located in Unit G of Section 10, Township 6 South, Range 33 East, NMPM. Said pool would comprise:

To Be Dismissed

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 10: NE/4

- (k) ABOLISH the Bishop Canyon-San Andres Pool in Lea County, New Mexico, described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 9: E/2
Section 10: W/2 and NE/4
Section 11: N/2

Docket No. 22-34

- (l) CONTRACT the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, by deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 11: NE/4 NW/4

- (m) EXTEND the Rhodes-Yates-Seven Rivers Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 11: NE/4 NW/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/4

- (o) EXTEND the Baum Upper-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4
Section 26: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 17: NW/4
Section 18: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 3, 4, 5, and 6
Section 2: Lots 1, 2, 7, and 8

- (r) EXTEND the Feather-Morrow Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 21: NE/4

- (s) EXTEND the West Jal-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 17: NE/4

- (t) EXTEND the Many Gates-Wolfcamp Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 29: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 24: W/2

- (v) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 11: NW/4
TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
Section 18: Lots 1, 2, and NE/4

ILLEGIBLE

- (w) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 18: NE/4

- (x) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 19: NW/4

NEW POOLS

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

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

Discovery well was HARVEY E. YATES CO. DUNCAN UNIT #3 located in Unit N Section 26 Township 13 Range 35 and was completed on March 7, 1984. Top of perforations is at 13,435 feet.

It is recommended that a new OIL pool be created and designated as the EAST BISHOP CANYON-SAN ANDRES Pool.

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

Discovery well was Bishop Canyon Uranium Company Forest A #1 located in Unit A Section 11 Township 18 Range 38 and was completed on July 17, 1959. Top of perforations is at 4884 feet.

It is recommended that a new OIL pool be created and designated as the WEST BISHOP CANYON-SAN ANDRES Pool.

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

Discovery well was H.L. Brown Houston Well #1 located in Unit H Section 9 Township 18 Range 38 and was completed on July 18, 1963. Top of perforations is at 4757 feet.

NEW POOLS

It is recommended that a new GAS pool be created and designated as the WEST CAPROCK-MORROW GAS Pool.

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

Discovery well was Enserch Exploration Inc. State 13 Well #1 located in Unit L Section 13 Township 12 Range 31 and was completed on April 5, 1984. Top of perforations is at 10,904 feet.

It is recommended that a new OIL pool be created and designated as the CEDAR POINT-PERMO UPPER PENNSYLVANIAN Pool.

Vertical limits to be the PERMO UPPER PENNSYLVANIAN formation and the horizontal limits should be as follows: As shown in Paragraph (e) Exhibit I

Discovery well was McClellan Oil Corporation McClellan A Federal #2 located in Unit H Section 27 Township 15 Range 30 and was completed on March 3, 1984. Top of perforations is at 9088 feet.

It is recommended that a new GAS pool be created and designated as the NORTH CORBIN-QUEEN GAS Pool.

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

Discovery well was Phillips Oil Company Leamex Well #20 located in Unit B Section 23 Township 17 Range 33 and was completed on June 29, 1983. Top of perforations is at 3778 feet.

NEW POOLS

It is recommended that a new OIL pool be created and designated as the SOUTHEAST DENTON-PENNSYLVANIAN Pool.

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

Discovery well was Newmont Oil Company State 16 Well #1 located in Unit K Section 16 Township 15 Range 37 and was completed on December 21, 1983. Top of perforations is at 11,231 feet.

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

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

Discovery well was Cities Service Oil & Gas Corp. State DW Well #1 located in Unit J Section 12 Township 18 Range 33 and was completed on April 15, 1984. Top of perforations is at 8803 feet.

It is recommended that a new OIL pool be created and designated as the NORTHEAST SALADO DRAW-DELAWARE Pool.

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

Discovery well was The Superior Oil Company State 36 Well #1 located in Unit G Section 36 Township 25 Range 33 and was completed on January 15, 1984. Top of perforations is at 5,192 feet.

COUNTY	LEA	POOL	NORTHWEST AUSTIN-MISSISSIPPIAN GAS			
TOWNSHIP	13 South	RANGE	35 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
 Harvey E. Yates Company Duncan Unit #3-N in 26-13-35 completed March 7, 1984,
 in the Mississippian formation. Top perf 13,435 feet.

Proposed pool boundary outlined in red. SECTION 26: S/2

COUNTY LEA POOL EAST BISHOP CANYON-SAN ANDRES

TOWNSHIP 18 South RANGE 38 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: Divide the Bishop Canyon-San Andres Pool into two separate pools since a geological evaluation indicates there are two separate reservoirs.

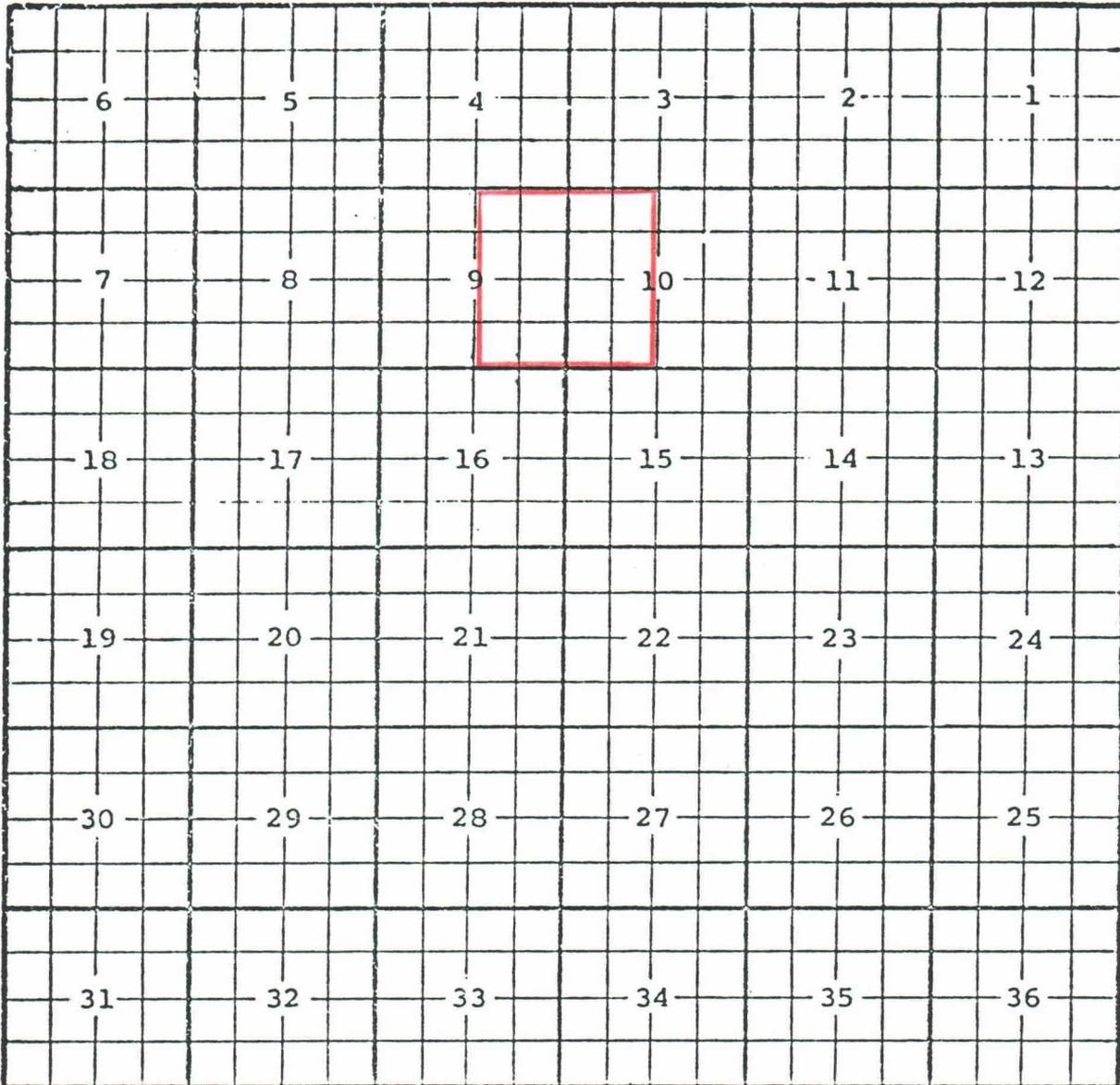
The discovery well for the East Bishop Canyon-SA pool shall be:

Bishop Canyon Uranium Company Forest A Well #1-A in Sec 11, T18S, R38E, completed 7/17/59 in SA formation. Top perf 4884 ft.

Proposed pool boundary outlined in red. SECTION 11: NE/4

COUNTY LEA POOL WEST BISHOP CANYON-SAN ANDRES

TOWNSHIP 18 South RANGE 38 East NMPM



PURPOSE: Divide the Bishop Canyon-San Andres Pool into two separate pools.

A geological evaluation indicates there are two separate reservoirs.

The discovery well for the West Bishop Canyon-SA pool shall be:

H.L. Brown, Jr. Houston #1-H in Sec 9, T18S, R38E,

Proposed pool boundary outlined in red. SECTION 9: E/2

SECTION 10: W/2

COUNTY CHAVES POOL WEST CAPROCK-MORROW GAS

TOWNSHIP 12 South RANGE 31 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.
 Enserch Exploration Inc. State 13 Well #1-L in Sec 13, T12S, R31E, completed April 5, 1984, in the Morrow formation. Top perf 10,904 feet.

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

COUNTY	CHAVES		POOL	CEDAR POINT-PERMO UPPER PENNSYLVANIAN		
TOWNSHIP	15 South		RANGE	30 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 and qualifying for a bonus discovery allowable. The discovery well is the:

McClellan Oil Corporation McClellan A Federal #2-H in Sec 27, T15S, R30E, completed March 3, 1984, in the Bough C formation. Top perf 9088 feet.

A discovery allowable of 25,050 barrels shall be assigned to the discovery well.

Proposed pool boundary outlined in red. SECTION 27: NE/4

COUNTY LEA POOL SOUTHEAST DENTON-PENNSYLVANIAN

TOWNSHIP 15 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 oil well capable of producing.

Newmont Oil Company State 16 Well #1-K in Sec 16, T15S, R37E, completed Dec. 21, 1983, in the Upper Pennsylvanian formation. Top perf 11,231 feet.

Pool boundary outlined in red. SECTION 16: SW/4

COUNTY LEA POOL Mescalero Escarpe-Bone Spring

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 and qualifying for a discovery allowable to be assigned to the discovery well, the: Cities Service Oil and Gas Corporation State DW Well #1-J located in Sec. 12, T18S, R33E, completed April 15, 1984, in the Bone Spring formation. The top perforation is 8803 feet. A discovery allowable of 23,530 barrels shall be assigned to the discovery well.

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

COUNTY LEA POOL NORTHEAST SALADO DRAW-DELAWARE

TOWNSHIP 25 South RANGE 33 East NMPM

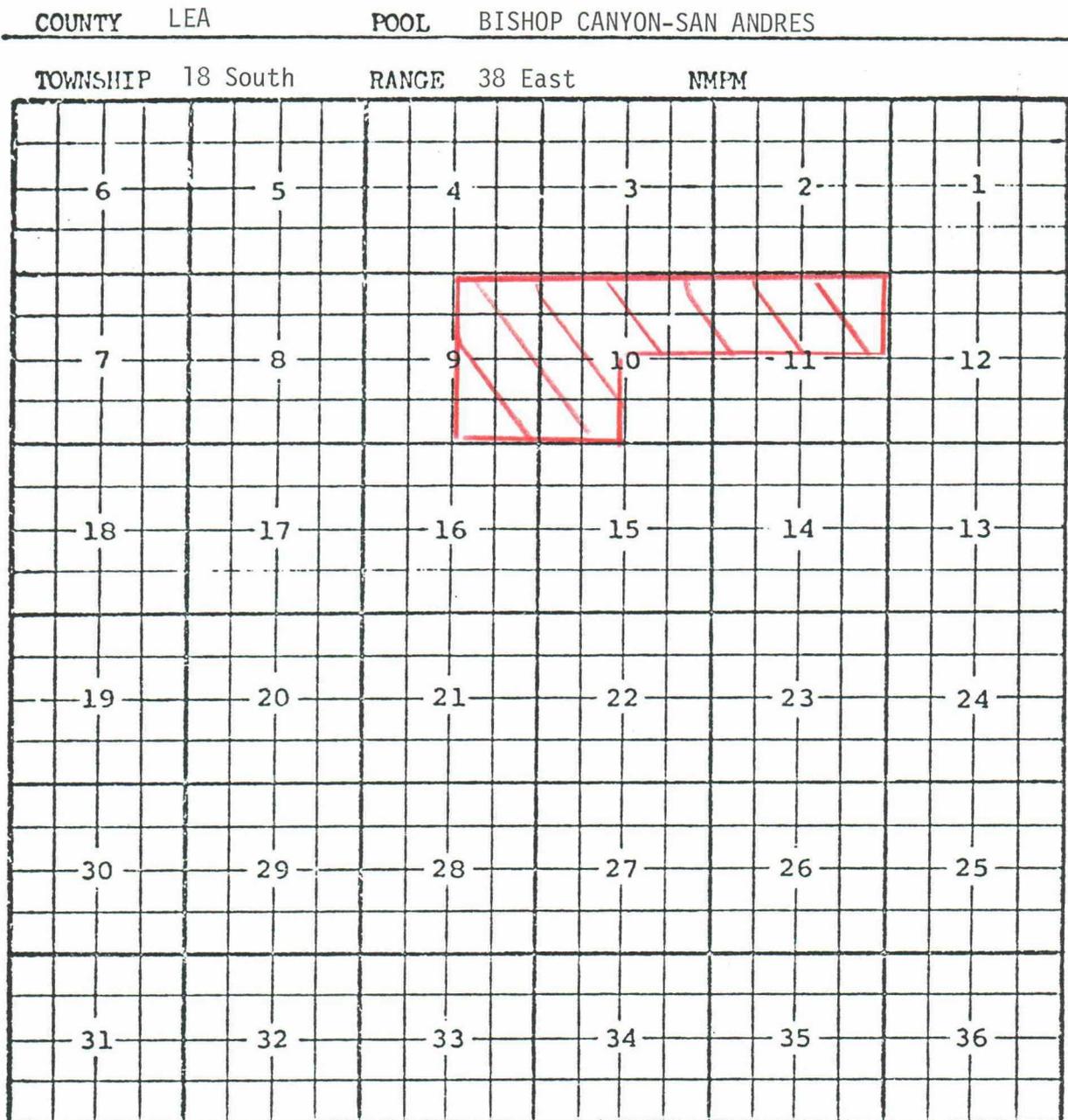
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



PURPOSE: One completed oil well capable of producing.

The Superior Oil Company State 36 Well #1 located in Unit G of Section 36, T25S, R33E, completed Jan. 15, 1984, in the Delaware formation. Top perf 5192 feet.

Proposed pool boundary outlined in red. SECTION 36: NE/4



PURPOSE: Abolish the Bishop Canyon-San Andres Pool and create two separate pools since geological evaluation indicates there are two separate sources. The wells in Section 11 will be placed in the East Bishop Canyon-San Andres Pool and the wells in Sections 9 and 10 will be placed in the West Bishop Canyon-San Andres Pool.

Pool to be abolished consists of the following described area:

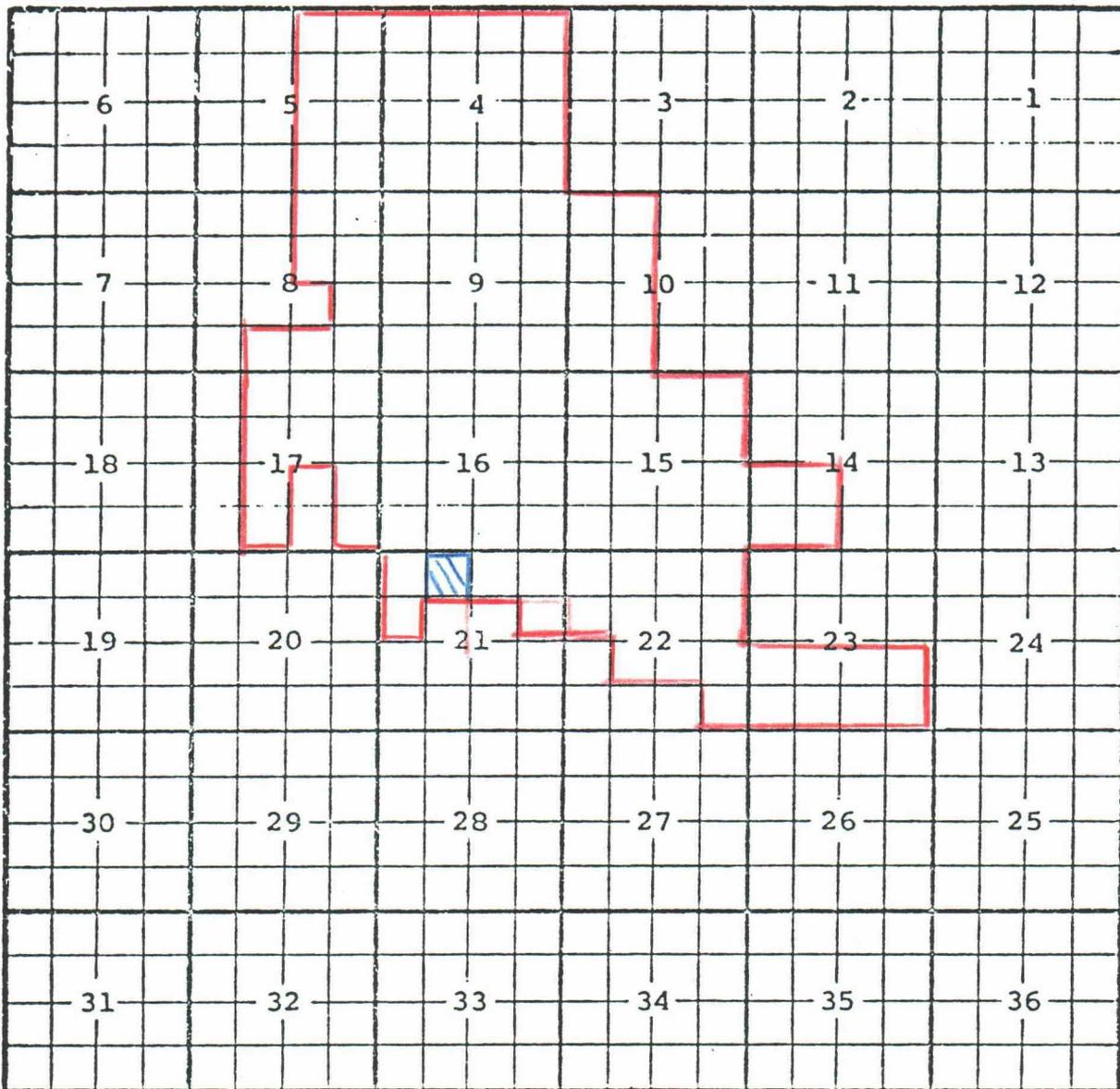
Section 9: E/2

Section 10: W/2 and NE/4

Section 11: N/2

COUNTY LEA POOL RHODES YATES-SEVEN RIVERS GAS

TOWNSHIP 26 South RANGE 37 East NMPM



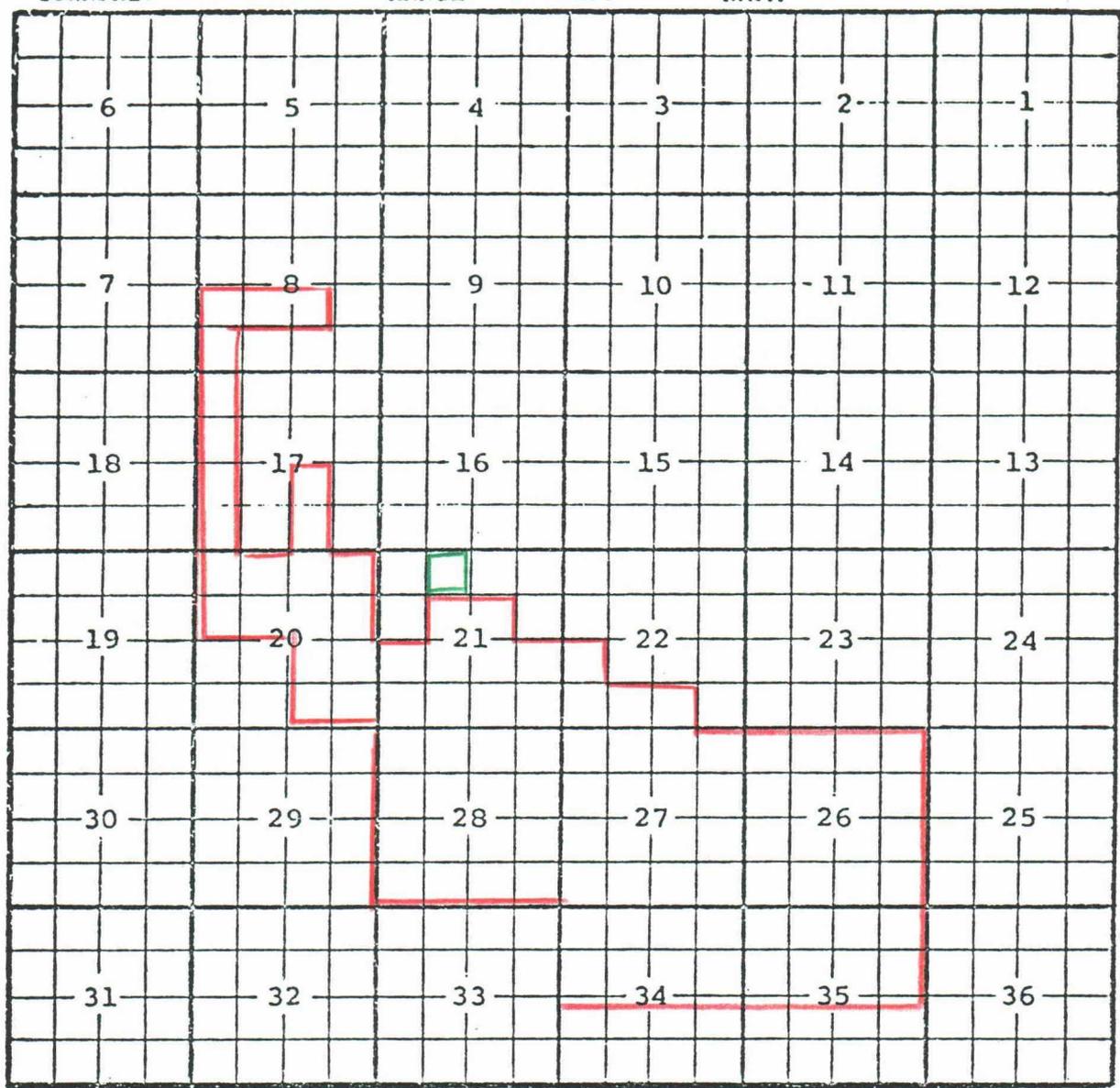
PURPOSE: Contract the horizontal limits of the Rhodes Yates-SR Gas pool due to the completion of the El Paso Expl. Co. Elliott Fed #5-C in 21-26-37 as an oil well.

Pool boundary outlined in red.

Proposed pool deletion marked in blue. SECTION 21: NE/4 NW/4

COUNTY LEA POOL RHODES-YATES-SEVEN RIVERS OIL

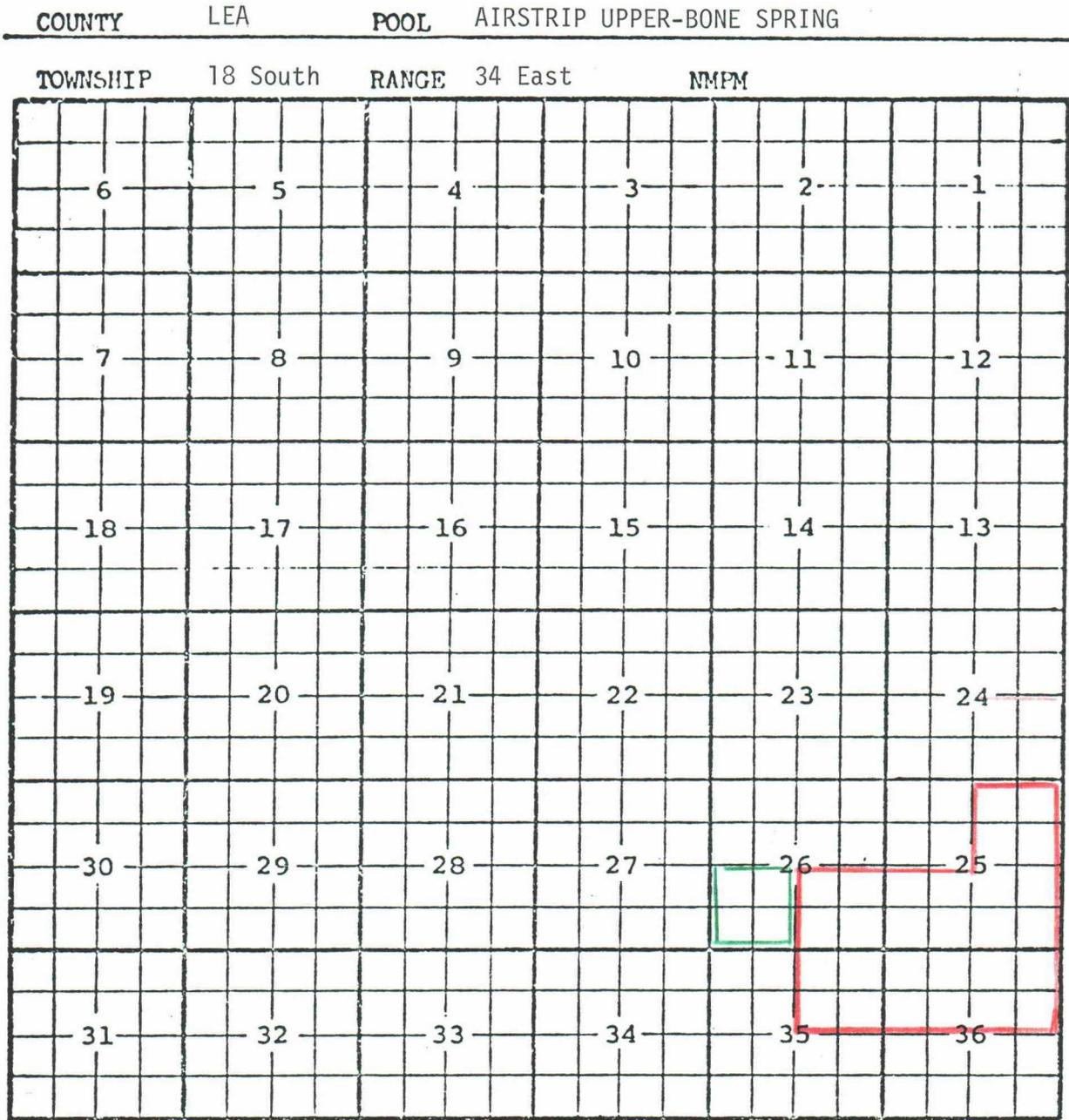
TOWNSHIP 26 South RANGE 37 East NMPM



PURPOSE: One completed oil well capable of producing.
 El Paso Expl. Co. Elliott Fed #5-C in Sec 21, T26S, R37E, completed 12/17/83 in SR formation. Top perf 3150 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 21: NE/4 NW/4

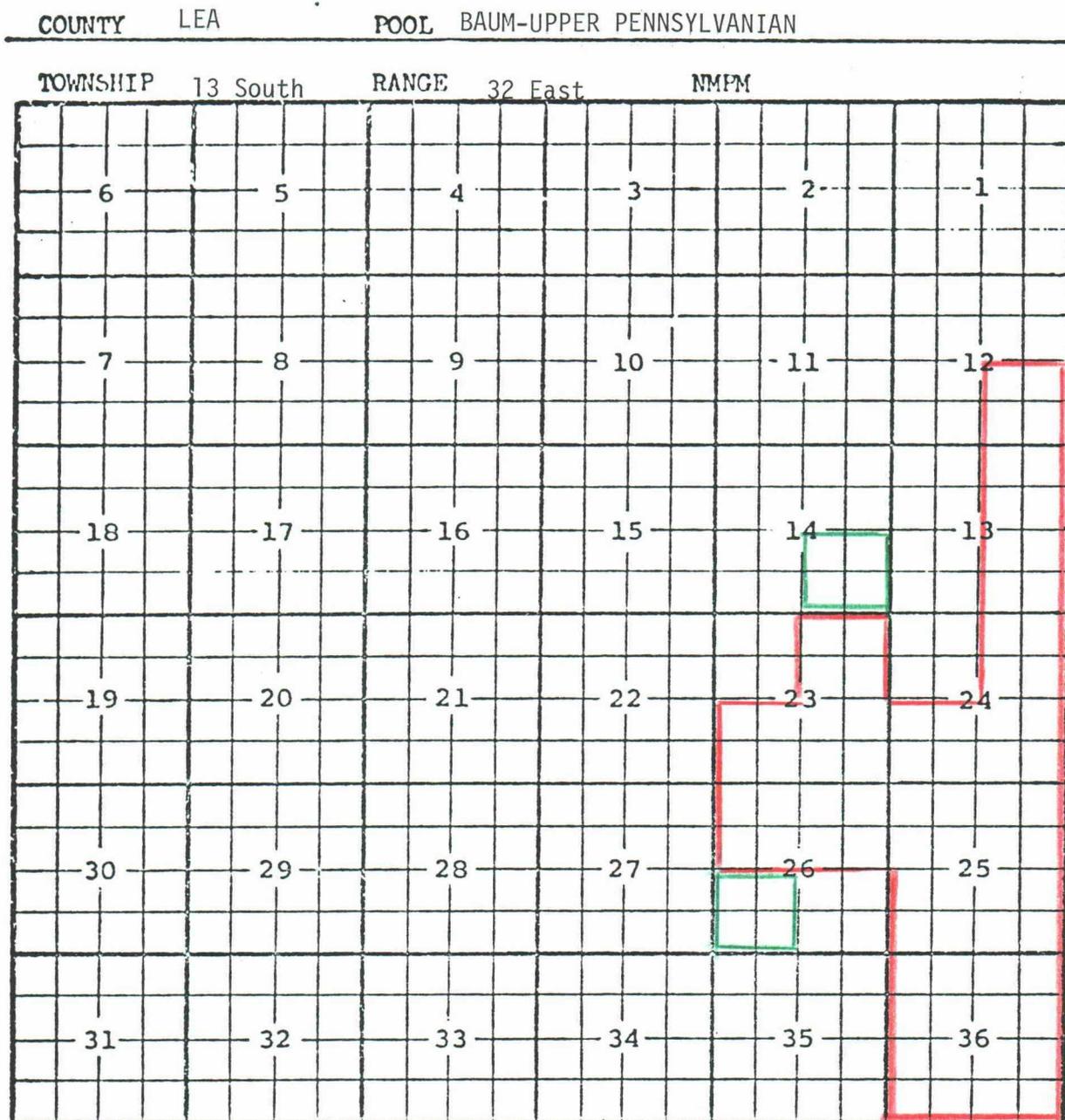


PURPOSE: One completed oil well capable of producing.

Amoco Prod. Co. State HQ #4-N in Sec 26, T18S, R34E, completed 4/29/84 in the Bone Spring formation. Top perf 9378 feet.

Pool boundary outlined in red.

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



PURPOSE: Two completed oil wells capable of producing.

Amoco Production Company State NB #1-P in 14-13-32, completed 3/7/84 in Upper Pennsylvanian. Top perf 9814 feet.

Southland Royalty Company Good State Well #1-K in Sec 26, T13S, R32E, completed 2/27/84 in Bough B formation. Top perf 9743 feet.

Pool boundary outlined in red.

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

SECTION 26: SW/4

COUNTY	LEA	POOL	CRUZ-DELAWARE			
TOWNSHIP	23 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: Two completed oil well capable of producing.

Conquest Exploration Company Federal #1-E in Sec. 17, T23S, R33E, completed 3/1/84 in Delaware formation. Top perf 5105 feet.

Exxon Corp. New Mexico DL State #3-H in Sec 18, T23S, R33E, completed 4/10/84 in the Delaware formation. Top perf 5,118 feet.

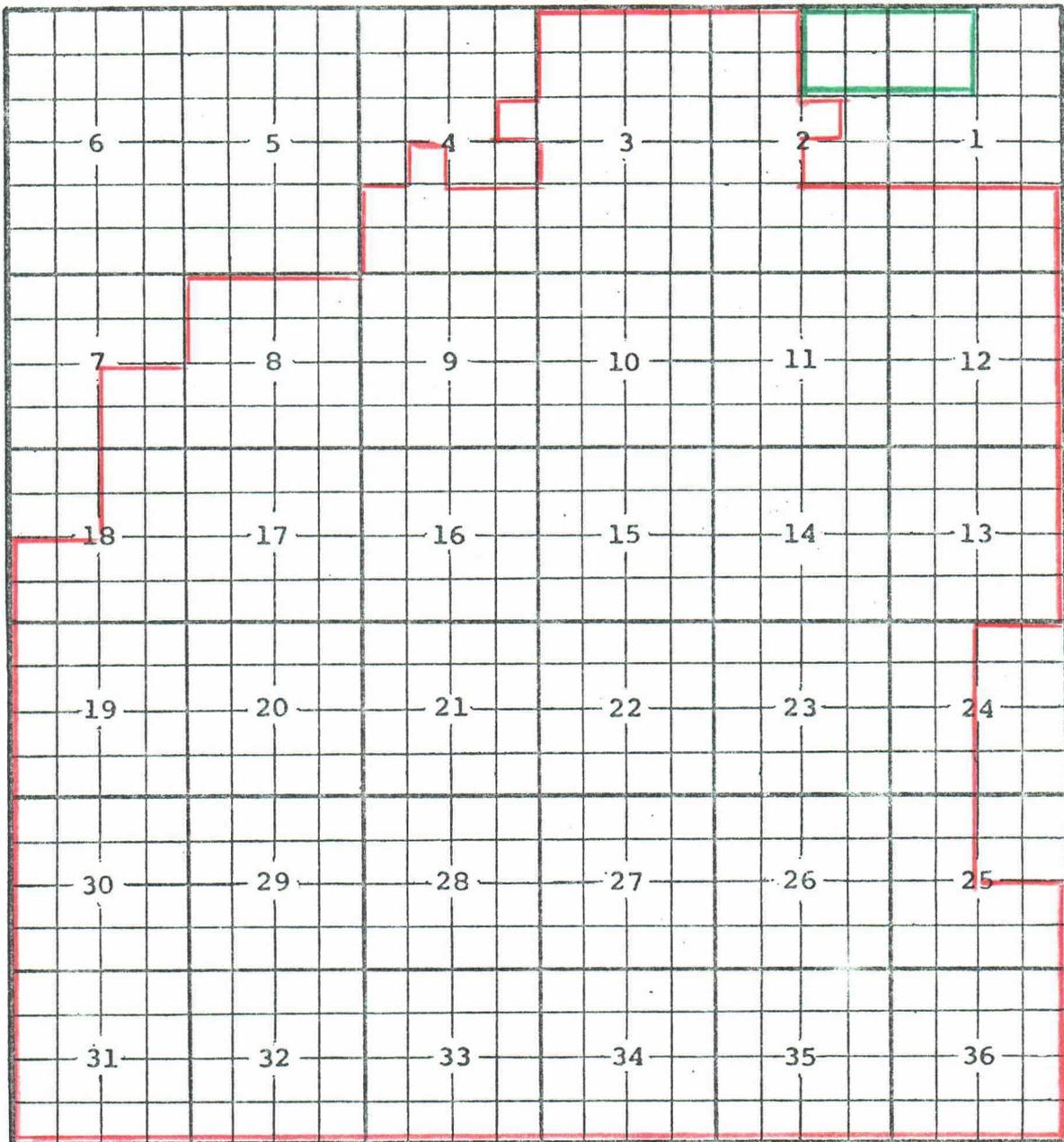
Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 17: NW/4

SECTION 18: NE/4

COUNTY LEA POOL DRINKARD

TOWNSHIP 21 South RANGE 37 East NMPM



PURPOSE: One completed oil well capable of producing.

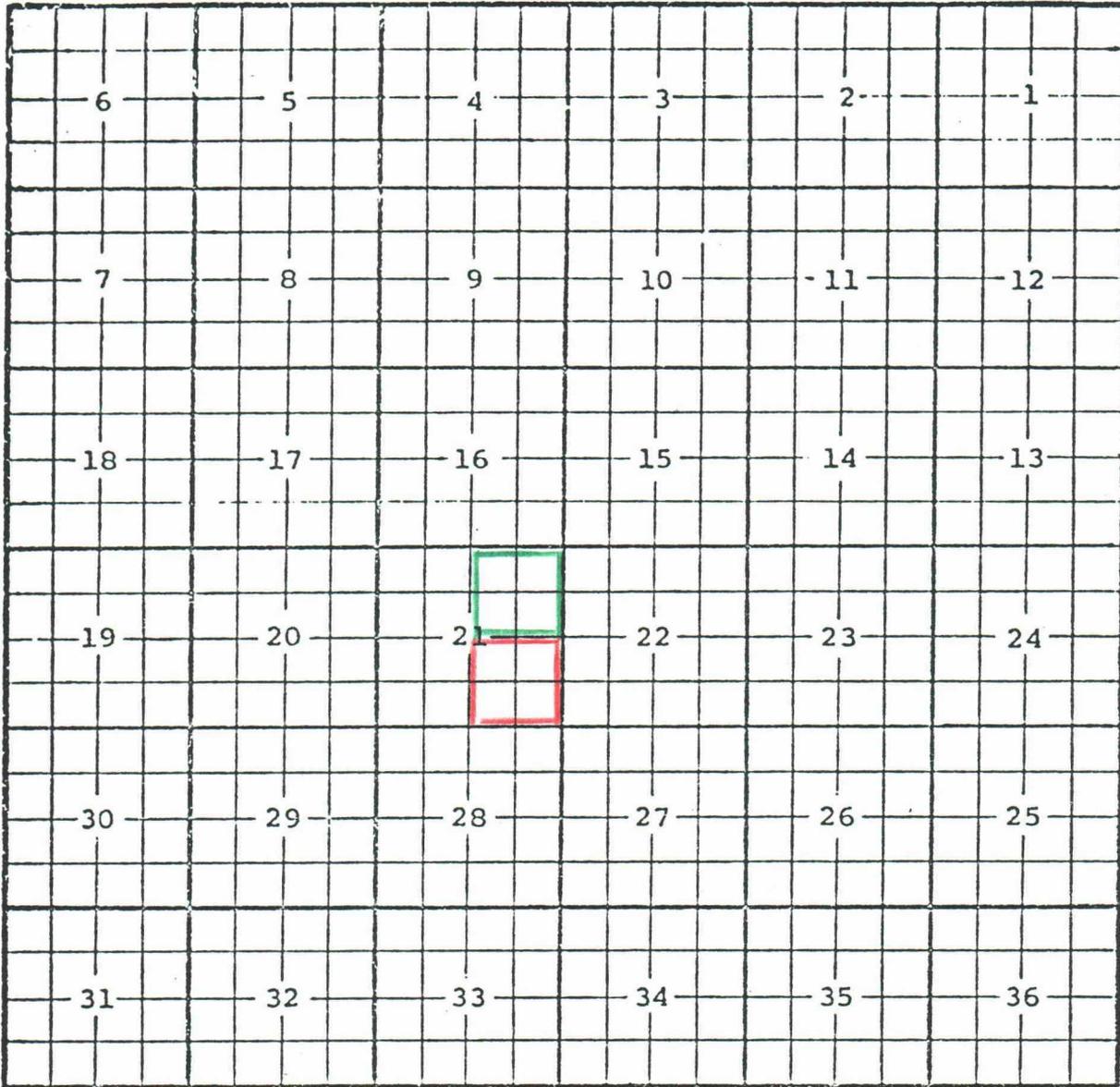
Bravo Energy, Inc. Dauron Well #1-E in Sec 1, T21S, R37E, completed 2/22/84 in Drinkard formation. Top perf 6745 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 1: Lots 3, 4, 5, and 6
SECTION 2: Lots 1, 2, 7, and 8

COUNTY LEA POOL FEATHER-MORROW

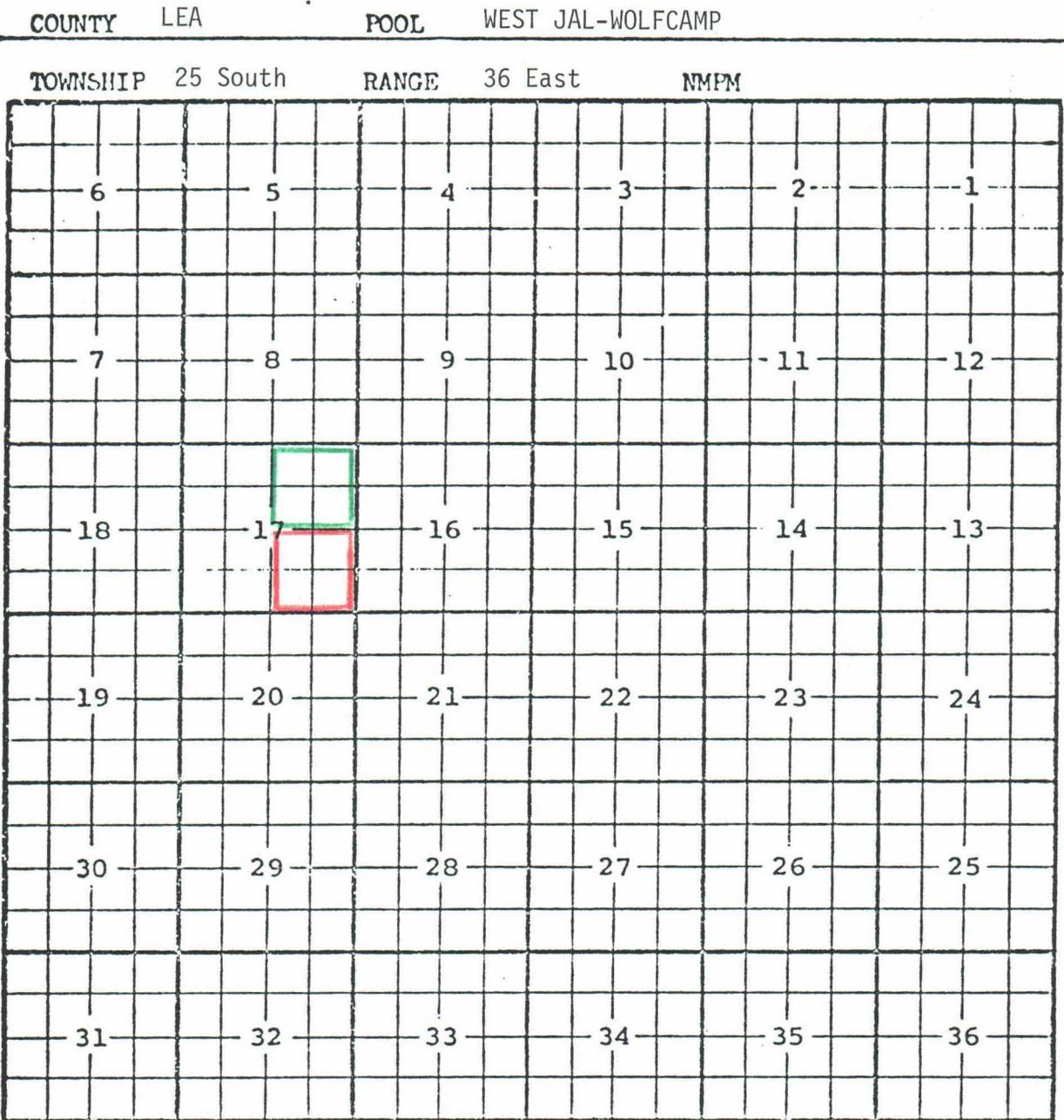
TOWNSHIP 15 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing Santa Fe Energy Co. UTP #2-G in Sec 21, T15S, R32E, completed 4/17/84 in the Morrow formation. Top perf 12,363 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 21: NE/4



PURPOSE: One completed oil well capable of producing
 Getty Oil Company West Jal B Deep Well #1-H in Sec. 17, T25S, R36E, completed
 3/26/84 in the Wolfcamp formation. Top perf 11,416 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 17: NE/4

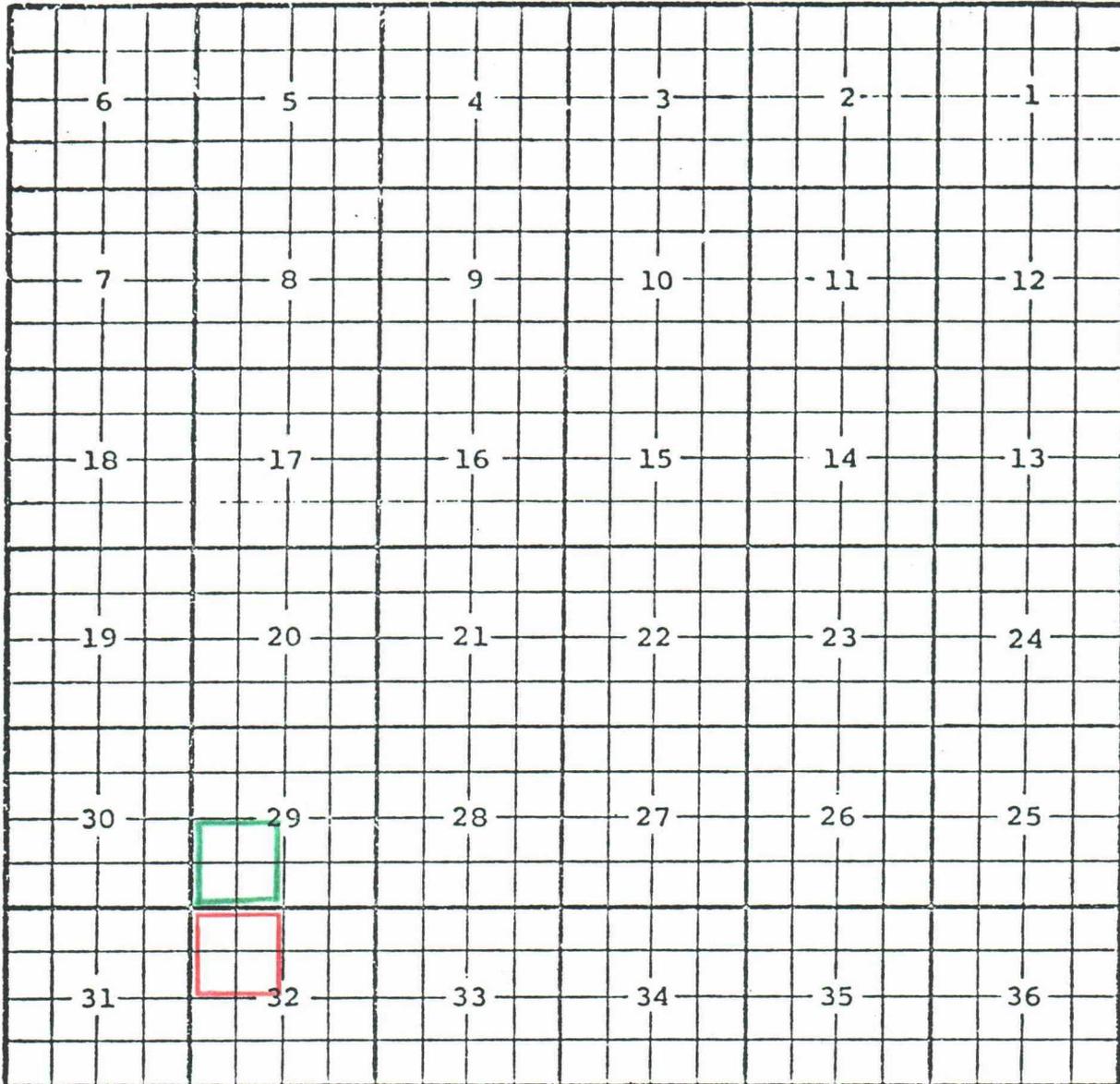
COUNTY CHAVES

POOL MANY GATES-WOLFCAMP

TOWNSHIP 9 South

RANGE 30 East

NMPM



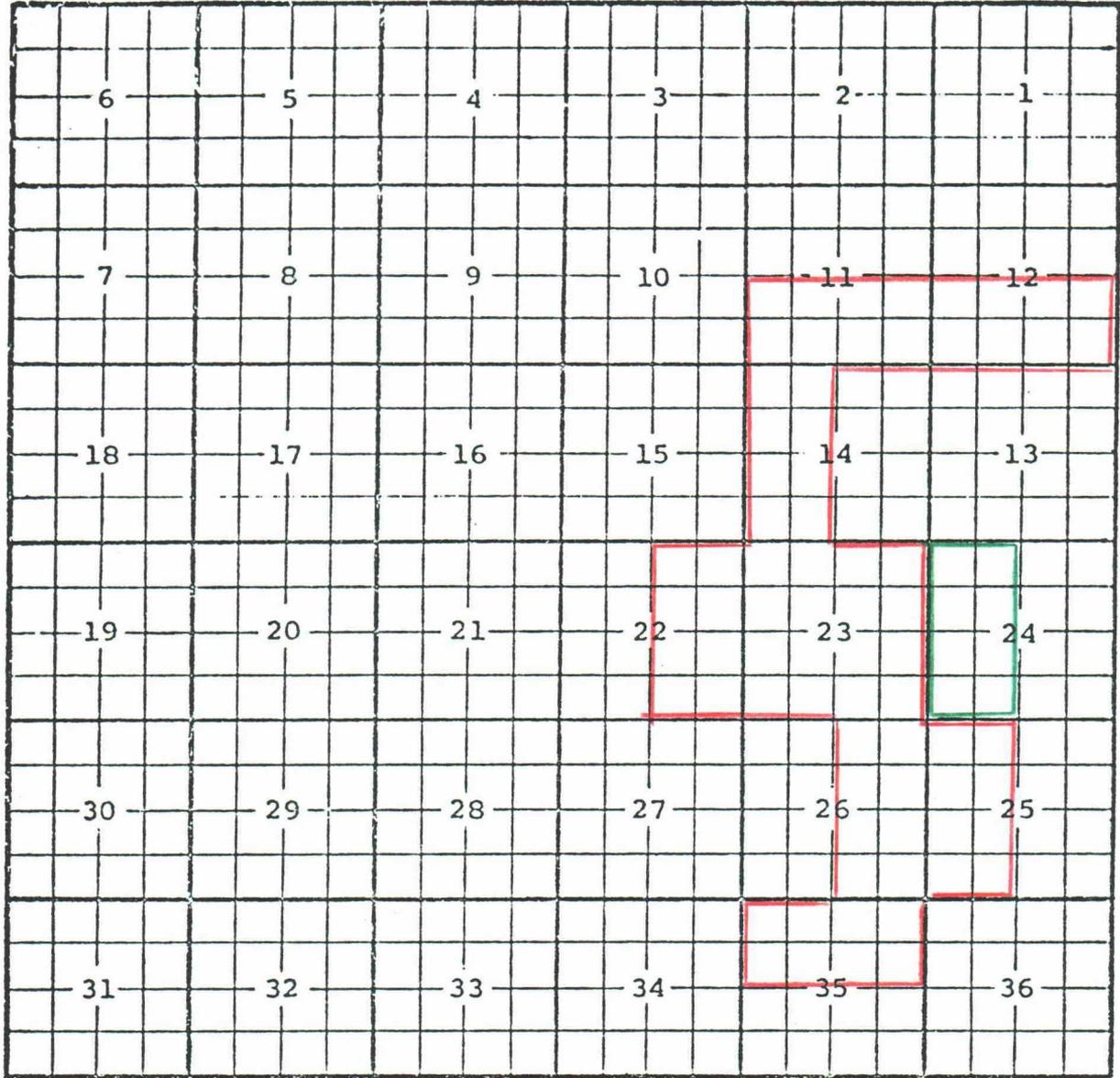
PURPOSE: One completed oil well capable of producing _____
Exxon Corporation Isler Federal Well #3-M in Sec 29, T9S, R30E, completed
1/18/84 in Wolfcamp formation. Top perf 7,272 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 29: SW/4

COUNTY LEA POOL WEST OSUDO-MORROW GAS

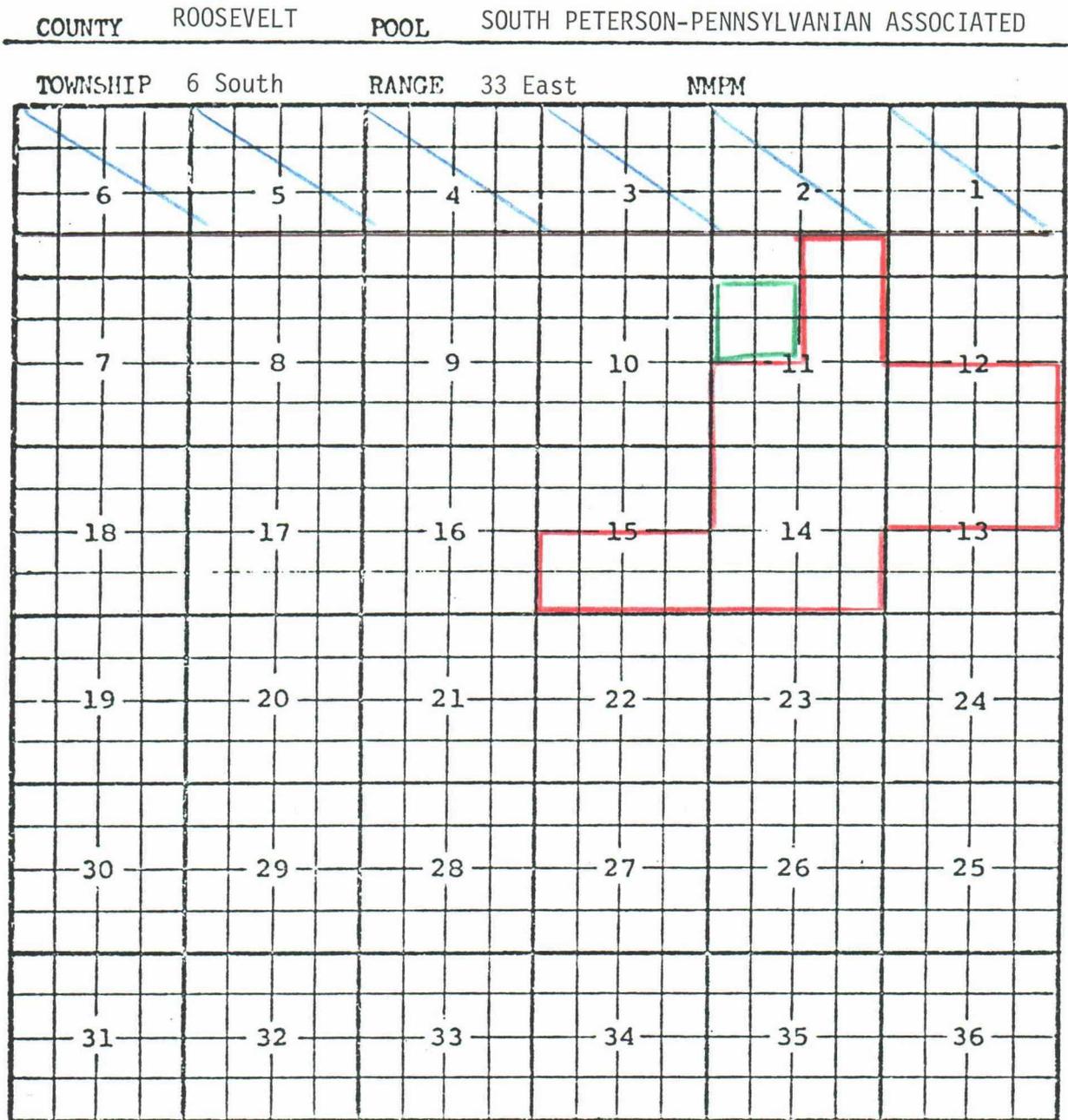
TOWNSHIP 20 South RANGE 35 East NMPM



PURPOSE: One completed gas well capable of producing.
 Amoco Production Company Heller Co. Trust Com A Well #1-E in Sec 24, T20S, R35E,
 completed 11/22/83 in the Morrow formation. Top perf 12,909 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 24: W/2



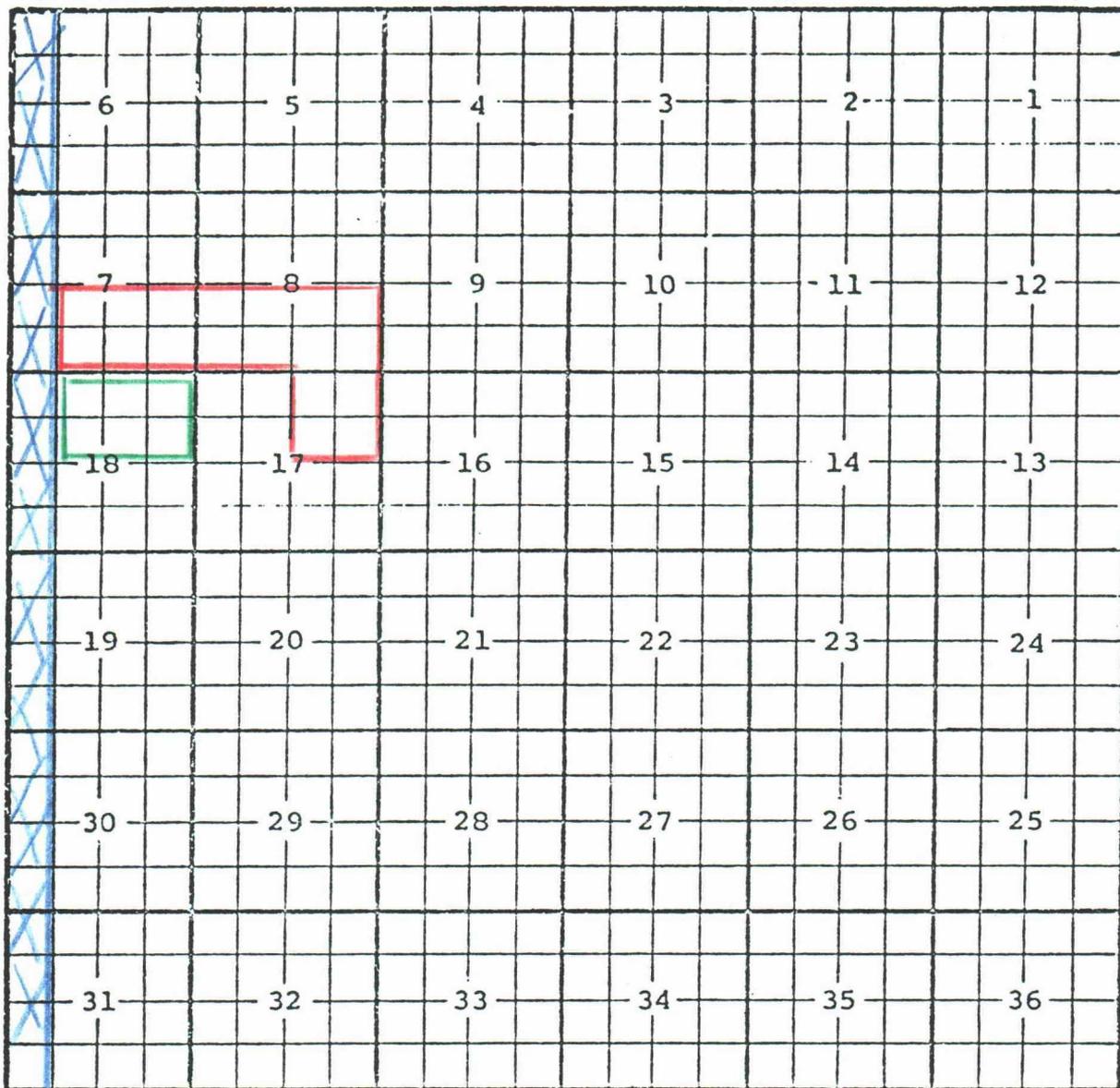
PURPOSE: Two completed oil wells capable of producing.
 Energy Reserves Group, Inc. Lambirth Well #1-C in Sec 18, T6S, R34E,
 completed 1/29/84 in the Pennsylvanian formation. Top perf 7,568 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 11: NW/4

COUNTY ROOSEVELT POOL SOUTH PETERSON-PENNSYLVANIAN ASSOCIATED

TOWNSHIP 6 South RANGE 34 East NMPM



Energy Reserves Group, Inc. Bledsoe Well #1-H in Sec 11, T6S, R34E, completed 2/12/84 in Pennsylvanian formation. Top perf 7,577 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 18: Lots 1, 2 & NE/4

COUNTY LEA

POOL QUERECHO PLAINS-QUEEN ASSOCIATED

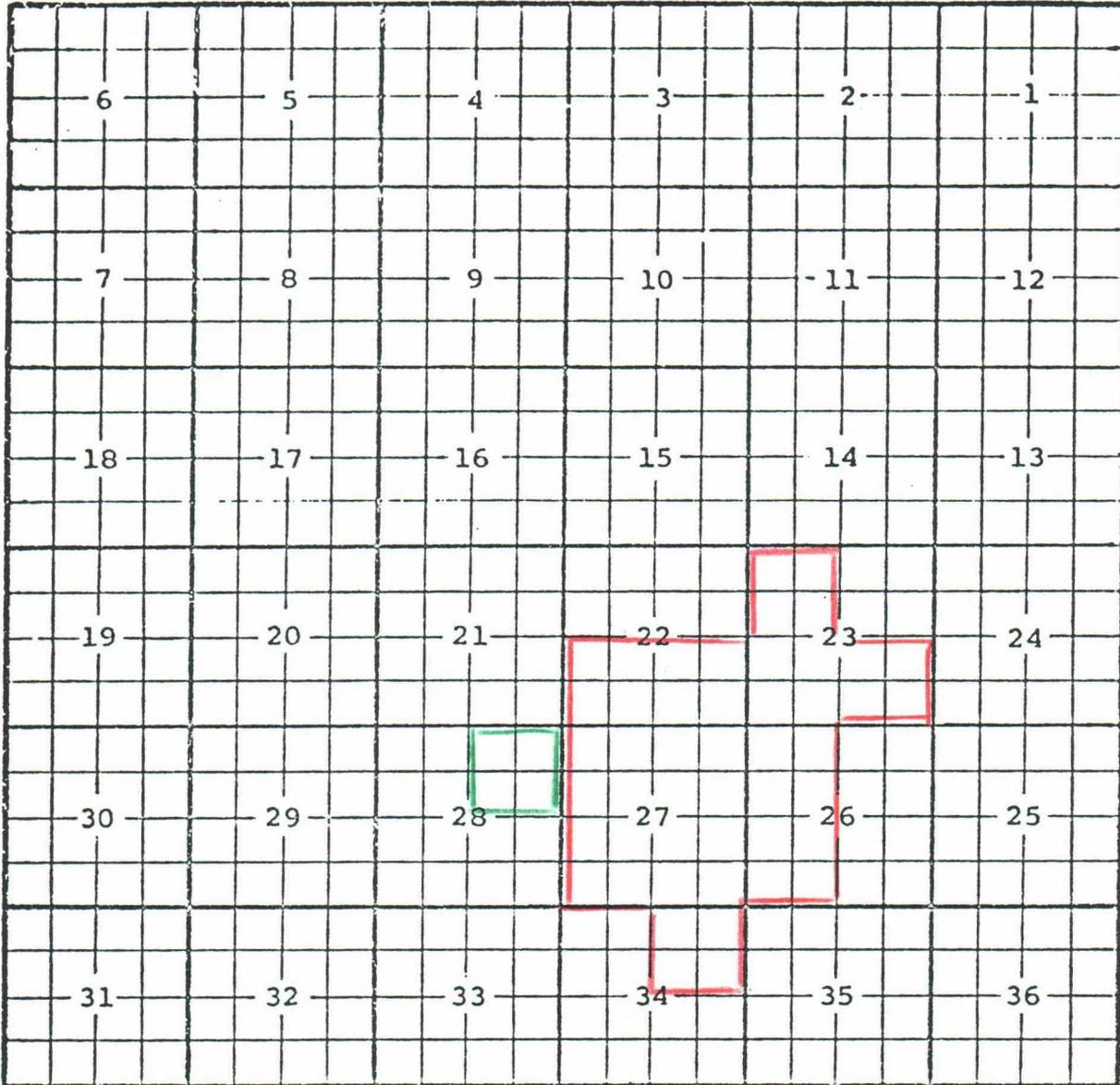
TOWNSHIP

18 South

RANGE

32 East

NMPM

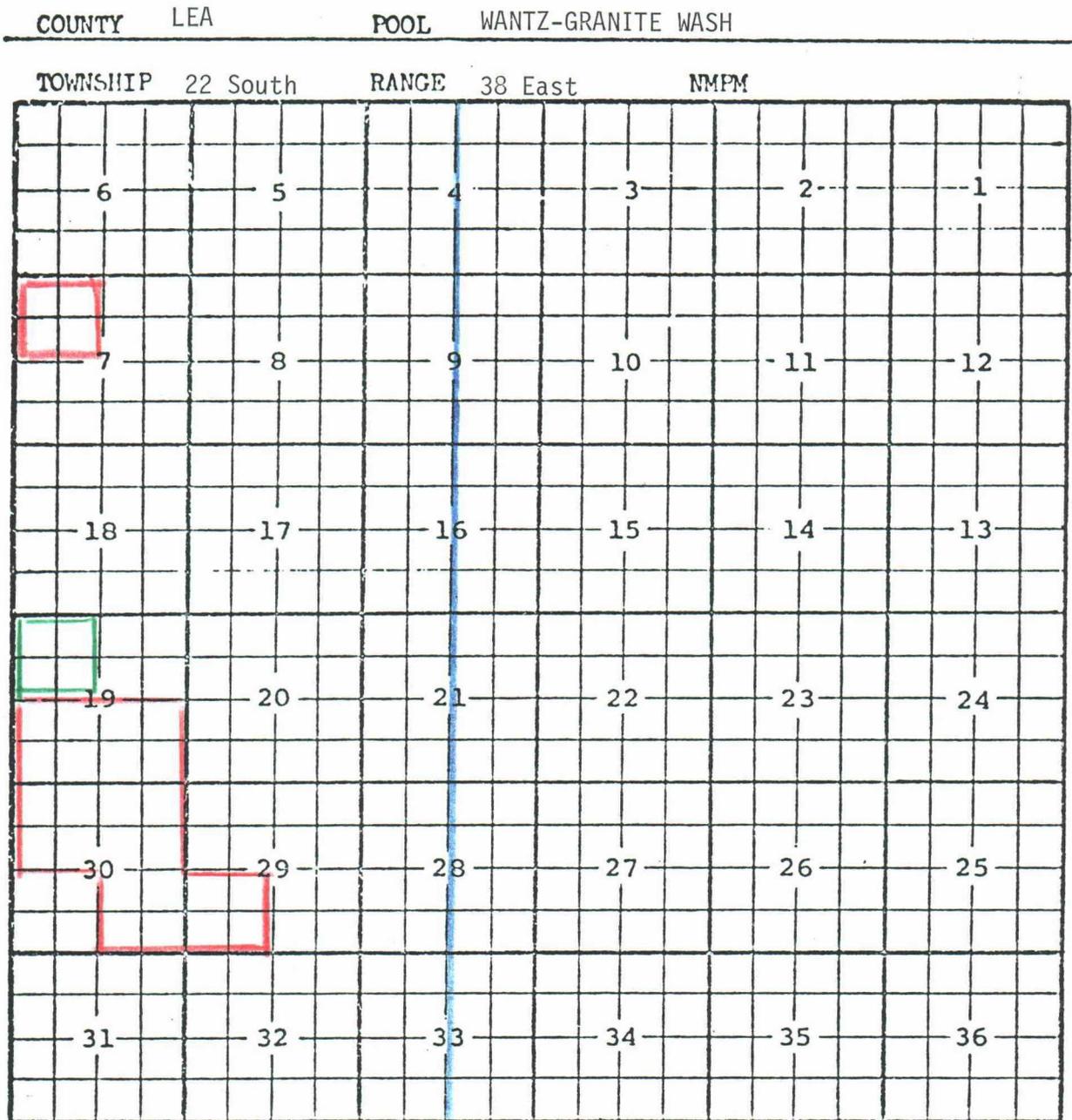


PURPOSE: One completed oil well capable of producing.

Mewbourne Oil Company Federal E Well #9-H in Sec 28, T18S, R32E, completed 3/1/84 in Queen formation. Top perf 3,875 feet.

Pool boundary outlined in red.

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



PURPOSE: One completed oil well capable of producing.
 Hanson Operating Company, Inc. Max Gutman Well #8-E in Sec 19, T22S, R38E,
 completed 1/7/84 in the Granite Wash formation. Top perf 7,425 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 19: NW/4
