

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. 13585
Order No. R-12449

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, REDESIGNATING,
AND CONTRACTING AND EXTENDING VERTICAL AND
HORIZONTAL LIMITS OF CERTAIN POOLS IN CHAVES
AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 20, 2005, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 27th day of October, 2005, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Devonian formation, bearing the designation of North Burtner-Devonian Pool (**Pool Code 97455**). The North Burtner-Devonian Pool was discovered by the Energen Resources Corporation Saunders Deep State Well No. 1 (**API No. 30-025-36859**) located in Unit A of Section 3, Township 15 South, Range 33 East, NMPM, which was completed in the Devonian formation on May 24, 2005. The top of the perforations is at 13,542 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Atoka formation, bearing the designation of South Button Mesa-Atoka Gas Pool (**Pool Code 97462**). The South Button Mesa-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Faron State Unit Well No. 1

(API No. 30-025-37075) located in Unit B of Section 5, Township 9 South, Range 32 East, NMPM, which was completed in the Atoka formation on June 11, 2005. The top of the perforations is at 10,577 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Atoka formation, bearing the designation of West Caprock-Atoka Gas Pool (**Pool Code 97460**). The West Caprock-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Patsy State Unit Well No. 2 (**API No. 30-005-27934**) located in Unit M of Section 11, Township 12 South, Range 31 East, NMPM, which was completed in the Atoka formation on June 24, 2005. The top of the perforations is at 10,722 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Strawn formation, bearing the designation of Dempster Mill-Strawn Gas Pool (**Pool Code 97471**). The Dempster Mill-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Dempster Mill Unit Well No. 2 (**API No. 30-025-36785**) located in Unit L of Section 31, Township 11 South, Range 36 East, NMPM, which was completed in the Strawn formation on July 21, 2005. The top of the perforations is at 11,836 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Grayburg formation, bearing the designation of West Hume-Grayburg Pool (**Pool Code 97444**). The West Hume-Grayburg Pool was discovered by the Mack Energy Corporation Snapper State Well No. 1 (**API No. 30-025-37053**) located in Unit F of Section 14, Township 16 South, Range 33 East, NMPM, which was completed in the Grayburg formation on May 10, 2005. The top of the perforations is at 4,398 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Atoka formation, bearing the designation of South Jenkins-Atoka Gas Pool (**Pool Code 97475**). The South Jenkins-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Vince BGH Well No. 1 (**API No. 30-025-37104**) located in Unit J of Section 30, Township 9 South, Range 35 East, NMPM, which was completed in the Atoka formation on July 6, 2005. The top of the perforations is at 11,607 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of North Mescalero-Morrow Gas Pool (**Pool Code 97472**). The North Mescalero-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Fender State Unit Well No. 1 (**API No. 30-025-00012**) located in Unit K of Section 9, Township 10 South, Range 32 East, NMPM, which was completed in the Morrow formation on August 4, 2005. The top of the perforations is at 11,244 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Morrow formation, bearing the designation of East

Pronghorn-Morrow Gas Pool (**Pool Code 97468**). The East Pronghorn-Morrow Gas Pool was discovered by the Chesapeake Operating Inc. Gurney 3 State Well No. 1 (**API No. 30-025-37082**) located in Unit K of Section 3, Township 23 South, Range 33 East, NMPM, which was completed in the Morrow formation on June 4, 2005. The top of the perforations is at 14,679 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Wolfcamp formation, bearing the designation of South Reeves-Wolfcamp Pool (**Pool Code 97467**). The South Reeves-Wolfcamp Pool was discovered by the Paladin Energy Corporation South Vacuum Unit Well No. 261 (**API No. 30-025-03134**) located in Unit M of Section 26, Township 18 South, Range 35 East, NMPM, which was completed in the Wolfcamp formation on June 8, 2005. The top of the perforations is at 9,950 feet.

(11) There is need for the contraction of the Vacuum-Abo Reef Pool (**Pool Code 61780**) in Lea County, New Mexico in order to correct nomenclature. The deleted acreage will be placed in the South Double A-Abo Pool (**Pool Code 19050**).

(12) There is need for the contraction of the vertical limits of the South Button Mesa-Pennsylvanian Pool (**Pool Code 8380**) in Lea County, New Mexico to include only the Cisco, Canyon and Strawn formations and the redesignation of the pool as the South Button Mesa-Upper Pennsylvanian Pool (**Pool Code 8380**).

(13) There is need for the extension of the vertical limits of the North Mescalero-Cisco Pool (**Pool Code 45750**) in Lea County, New Mexico to include the Cisco, Canyon and Strawn formations and the redesignation of the pool as the North Mescalero-Upper Pennsylvanian Pool (**Pool Code 45750**).

(14) There is need for certain extensions to the Antelope Ridge-Bone Spring Pool, the East Bagley-Morrow Gas Pool, the South Bell Lake-Delaware Pool, the Brinninstool-Morrow Gas Pool, the South Brunson-Drinkard-Abo Pool, the Cinta Roja-Delaware Pool, the South Corbin-Morrow Gas Pool, the Dempster Mill-Atoka Gas Pool, the South Double A-Abo Pool, the Drinkard Pool, the Northwest Eight Mile Draw-Morrow Gas Pool, the EK-Yates-Seven Rivers-Queen Pool, the East Featherstone-Bone Spring Pool, the Four Lakes-Mississippian Gas Pool, the Four Lakes-Morrow Gas Pool, the Gem-Delaware Pool, the Grama Ridge-Morrow Gas Pool, the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, the Hardin Tank-Bone Spring Pool, the Southeast Hat Mesa-Delaware Pool, the Hat Mesa-Morrow Gas Pool, the North Hightower-Wolfcamp Pool, the Northwest Hobbs-Abo Pool, the West Hume-Queen Pool, the Southwest Jabalina-Strawn Gas Pool, the Jalmat-Tansill-Yates-Seven Rivers Gas Pool, the East Lusk-Bone Spring Pool, the North Lusk-Bone Spring Pool, the East Lusk-Morrow Gas Pool, the Maljamar-Grayburg-San Andres Pool, the Midway-Bone Spring Pool, the Osudo-Morrow Gas Pool, the South Osudo-Morrow Gas Pool, the Paddock Pool, the Pearl-Queen Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the Sand Springs-Abo Pool, the Sand Springs-Atoka-Morrow Gas Pool, the Skaggs-Drinkard Pool, the Stateline-Ellenburger Pool, the Teas-

Pennsylvanian Gas Pool, the North Townsend-Mississippian Gas Pool, the Trinity-Wolfcamp Pool, the North Vacuum-Atoka-Morrow Gas Pool, the Vacuum-Morrow Gas Pool, the West Warren-Abo Pool, the East Warren-Drinkard Pool, the Weir-Blinebry Pool, the X-4 Ranch-Morrow Gas Pool and the West X-4 Ranch-Morrow Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico classified as an oil pool for Devonian production is hereby created and designated as the North Burtner-Devonian Pool (**Pool Code 97455**), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM
Section 3: NE/4

(b) A new pool in Lea County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the South Button Mesa-Atoka Gas Pool (**Pool Code 97462**), consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 5: E/2

(c) A new pool in Chaves County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the West Caprock-Atoka Gas Pool (**Pool Code 97460**), consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 11: W/2

(d) A new pool in Lea County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the Dempster Mill-Strawn Gas Pool (**Pool Code 97471**), consisting of the following described area:

TOWNSHIP 11 SOUTH, RANGE 36 EAST, NMPM
Section 31: S/2

(e) A new pool in Lea County, New Mexico classified as an oil pool for Grayburg production is hereby created and designated as the West Hume-Grayburg Pool (**Pool Code 97444**), consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 14: NW/4 and S/2
Section 23: E/2

(f) A new pool in Lea County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the South Jenkins-Atoka Gas Pool (**Pool Code 97475**), consisting of the following described area:

TOWNSHIP 9 SOUTH. RANGE 35 EAST. NMPM
Section 30: S/2

(g) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the North Mescalero-Morrow Gas Pool (**Pool Code 97472**), consisting of the following described area:

TOWNSHIP 10 SOUTH. RANGE 32 EAST. NMPM
Section 9: S/2

(h) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the East Pronghorn-Morrow Gas Pool (**Pool Code 97468**), consisting of the following described area:

TOWNSHIP 23 SOUTH. RANGE 33 EAST. NMPM
Section 3: W/2

(i) A new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the South Reeves-Wolfcamp Pool (**Pool Code 97467**), consisting of the following described area:

TOWNSHIP 18 SOUTH. RANGE 35 EAST. NMPM
Section 26: SW/4

(j) The Vacuum-Abo Reef Pool (**Pool Code 61780**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM
Section 25: SE/4

(k) The South Double A-Abo Pool (**Pool Code 19050**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM
Section 25: SE/4

(l) The vertical limits of the South Button Mesa-Pennsylvanian Pool (**Pool Code 8380**) in Lea County, New Mexico are hereby contracted to include only the Cisco, Canyon and Strawn formations, and the pool is hereby redesignated as the South Button Mesa-Upper Pennsylvanian Pool (**Pool Code 8380**).

(m) The vertical limits of the North Mescalero-Cisco Pool (Pool Code 45750) in Lea County, New Mexico are hereby extended to include the Cisco, Canyon and Strawn formations, and the pool is hereby redesignated as the North Mescalero-Upper Pennsylvanian Pool (Pool Code 45750).

(n) The Antelope Ridge-Bone Spring Pool (Pool Code 2200) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2 and SE/4

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM
Section 31: SW/4

(o) The East Bagley-Morrow Gas Pool (Pool Code 97424) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 7: N/2

(p) The South Bell Lake-Delaware Pool (Pool Code 97051) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: NW/4

(q) The Brinninstool-Morrow Gas Pool (Pool Code 72880) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 29: W/2 and NE/4

(r) The South Brunson-Drinkard-Abo Pool (Pool Code 7900) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 8: N/2

(s) The Cinta Roja-Delaware Pool (Pool Code 96341) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM
Section 31: S/2

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 6: NE/4

(t) The South Corbin-Morrow Gas Pool (**Pool Code 75080**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 23: SE/4

Section 24: W/2

(u) The Dempster Mill-Atoka Gas Pool (**Pool Code 97299**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 36: E/2

TOWNSHIP 11 SOUTH, RANGE 36 EAST, NMPM

Section 31: S/2

(v) The Drinkard Pool (**Pool Code 19190**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lot 15

(w) The Northwest Eight Mile Draw-Morrow Gas Pool (**Pool Code 97190**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 33: N/2

Section 34: W/2

(x) The EK-Yates-Seven Rivers-Queen Pool (**Pool Code 19950**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 11: SW/4

(y) The East Featherstone-Bone Spring Pool (**Pool Code 24270**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 24: S/2

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 19: SW/4

(z) The Four Lakes-Mississippian Gas Pool (Pool Code 97053) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH. RANGE 35 EAST, NMPM

Section 29: W/2

Section 32: W/2

TOWNSHIP 12 SOUTH. RANGE 35 EAST. NMPM

Section 5: NW/4

(aa) The Four Lakes-Morrow Gas Pool (Pool Code 97082) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH. RANGE 35 EAST, NMPM

Section 18: N/2

(bb) The Gem-Delaware Pool (Pool Code 27250) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 33 EAST, NMPM

Section 33: N/2 and SW/4

(cc) The Grama Ridge-Morrow Gas Pool (Pool Code 77680) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 34 EAST, NMPM

Section 8: N/2

(dd) The Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool (Pool Code 28509) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH. RANGE 32 EAST, NMPM

Section 30: NE/4

(ee) The Hardin Tank-Bone Spring Pool (Pool Code 96661) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH. RANGE 34 EAST, NMPM

Section 35: S/2

TOWNSHIP 26 SOUTH. RANGE 34 EAST. NMPM

Section 2: NW/4

Section 3: NE/4

(ff) The Southeast Hat Mesa-Delaware Pool (Pool Code 97210) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 1: Lots 3, 4, 5, 6, 11, 12, 13 and 14

(gg) The Hat Mesa-Morrow Gas Pool (**Pool Code** 78240) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 15: E/2

(hh) The North Hightower-Wolfcamp Pool (**Pool Code** 97432) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

Section 35: SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

Section 2: NE/4

(ii) The Northwest Hobbs-Abo Pool (**Pool Code** 97212) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 19: NW/4

(jj) The West Hume-Queen Pool (**Pool Code** 33560) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 14: NW/4

Section 23: N/2 and SE/4

(kk) The Southwest Jabalina-Strawn Gas Pool (**Pool Code** 97332) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM

Section 24: SE/4 and W/2

(11) The Jalmat-Tansill-Yates-Seven Rivers Gas Pool (**Pool Code** Oil -33820; Gas - 79240) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 23: NW/4

(mm) The East Lusk-Bone Spring Pool (**Pool Code** 41442) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 24: S/2

(nn) The North Lusk-Bone Spring Pool (**Pool Code 41450**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 28: SW/4

Section 31: NE/4

Section 33: NW/4

(oo) The East Lusk-Morrow Gas Pool (**Pool Code 80770**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 14: S/2

(pp) The Maljamar-Grayburg-San Andres Pool (**Pool Code 43329**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 31: E/2

Section 32: SW/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 5: NW/4 and SE/4

(qq) The Midway-Bone Spring Pool (**Pool Code 46310**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 13: S/2

Section 14: S/2

Section 15: SE/4

(rr) The Osudo-Morrow Gas Pool (**Pool Code 82120**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

(ss) The South Osudo-Morrow Gas Pool (**Pool Code 82200**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 35 EAST. NMPM

Section 9: S/2

(tt) The Paddock Pool (**Pool Code 49210**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 36 EAST. NMPM

Section 36: NE/4

(uu) The Pearl-Queen Pool (**Pool Code 49780**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 34 EAST. NMPM

Section 24: SE/4

(vv) The Red Tank-Bone Spring Pool (**Pool Code 51683**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 32 EAST. NMPM

Section 13: SE/4

(ww) The East Red Tank-Bone Spring Pool (**Pool Code 51687**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 33 EAST. NMPM

Section 8: SW/4

Section 17: W/2

(xx) The Sand Springs-Abo Pool (**Pool Code 96803**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH. RANGE 34 EAST. NMPM

Section 35: SW/4

TOWNSHIP 11 SOUTH. RANGE 35 EAST. NMPM

Section 6: Lots 1 and 2

(yy) The Sand Springs-Atoka-Morrow Gas Pool (**Pool Code 84871**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH. RANGE 34 EAST. NMPM

Section 10: E/2

(zz) The Skaggs-Drinkard Pool (**Pool Code 57000**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

(aaa) The Stateline-Ellenburger Pool (**Pool Code 57810**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM
Section 32: NE/4

(bbb) The Teas-Pennsylvanian Gas Pool (**Pool Code 86040**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 14: S/2

(ccc) The North Townsend-Mississippian Gas Pool (**Pool Code 86390**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 25: NW/4 and S/2

(ddd) The Trinity-Wolfcamp Pool (**Pool Code 59890**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 15: SW/4
Section 27: SE/4
Section 33: N/2

(eee) The North Vacuum-Atoka-Morrow Gas Pool (**Pool Code 86800**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4

(fff) The Vacuum-Morrow Gas Pool (**Pool Code 86840**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 32: SE/4

(ggg) The West Warren-Abo Pool (**Pool Code 62940**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: NW/4

(hhh) The East Warren-Drinkard Pool (**Pool Code 63120**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 36: SW/4

(iii) The Weir-Blinebry Pool (**Pool Code 63780**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

(jjj) The X-4 Ranch-Morrow Gas Pool (**Pool Code 97049**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 4: W/2 and SE/4

(kkk) The West X-4 Ranch-Morrow Gas Pool (**Pool Code 97382**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 1: N/2

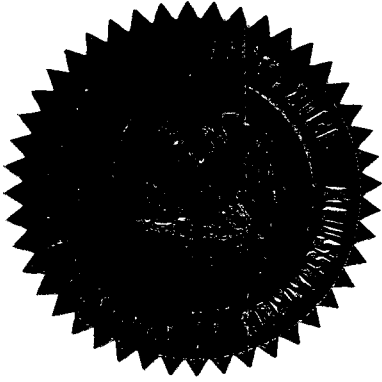
TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 6: E/2 and NW/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, redesignations, and contractions and extensions of vertical and horizontal limits included herein shall be November 1, 2005.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director