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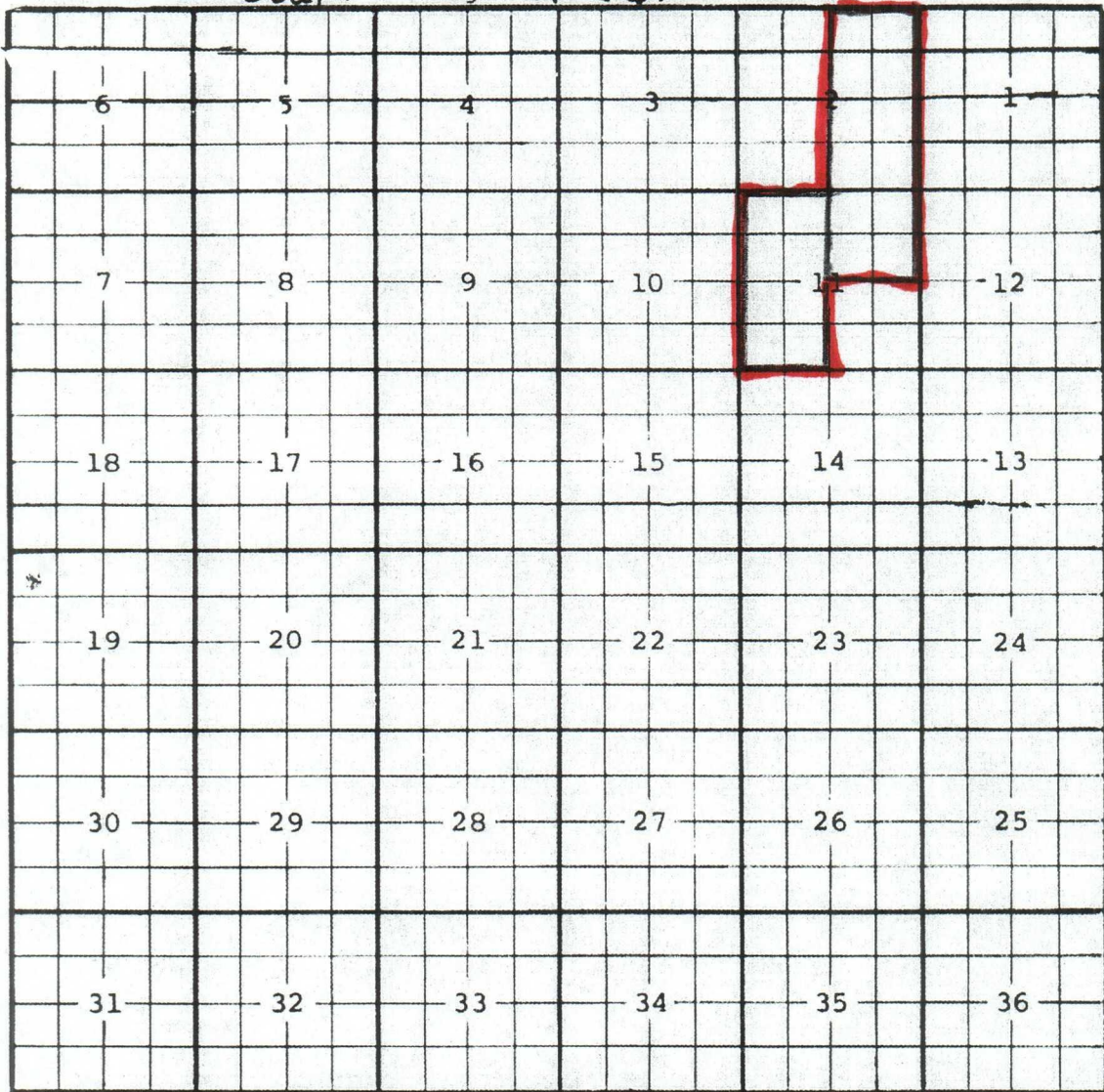
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County Eddy Pool Northwest Corral Canyon - Delaware

TOWNSHIP 25 South Range 29 East NMPM



Description: E/2 Sec. 2, NE/4 Sec. 11 (A-10591, 5-8-96)

Ext: W/2 Sec. 11 (A-12420, 10-6-05)

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED Y THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11530
Order No. R-10591

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 2, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of May, 1996, the Division Director, having considered the testimony, the record, and 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 the subject matter thereof.
- (2) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Northwest Corral Canyon-Delaware Pool. Said Northwest Corral Canyon-Delaware Pool was discovered by the Santa Fe Energy Resources, Inc. Corral Fly Unit Well No. 1 located in Unit G of Section 2, Township 25 South, Range 29 East, NMPM. It was completed in the Delaware formation on February 23, 1996. The top of the perforations is at 5,341 feet.
- (3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation

Case No. 11530
Order No. R-10591

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of Elkins-Pennsylvanian Gas Pool. Said Elkins-Pennsylvanian Gas Pool was discovered by the Walter Exploration, Inc. J. G. O'Brien Well No. 4 located In Unit L of Section 31, Township 7 South, Range 29 East, NMPM. It was completed in the Pennsylvanian formation on August 31, 1987. The top of the perforations is at 6,761 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 Happy Valley-Bone Spring Pool. Said Happy Valley-Bone Spring Pool was discovered by the Pennwell Energy, Inc. Rookie State Well No. 1 located in Unit B of Section 7, Township 22 South, Range 26 East, NMPM. It was completed in the Bone Spring formation on March 15, 1996. The top of the perforations is at 6,715 feet.

(5) There is need for certain extensions to the East Burton-Delaware Pool, the East Burton Flat-Strawn Gas Pool, the East Burton Flat-Wolfcamp Gas Pool, the South Carlsbad-Strawn Gas Pool, the Cedar Canyon-Delaware Pool, the Cedar Canyon-Morrow Gas Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Happy Valley-Delaware Pool, the Loco Hills-Atoka Gas Pool, the Nash Draw-Brushy Canyon Pool, the West Parkway-Morrow Gas Pool, the Southeast Quahada Ridge-Delaware Pool, the Sand Tank-Morrow Gas Pool, and the Turkey Track-Atoka Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Northwest Corral Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 2: E/2

Section 11: NE/4

(b) A new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production is hereby created and designated as the Elkins-Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM

Section 31: W/2

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Happy Valley-Bone Spring Pool, consisting of the following described area:

Case No. 11530
Order No. R-10591

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TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 7: NE/4

(d) The East Burton-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 4: E/2

Section 9: E/2

(e) The East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 22: S/2

Section 27: N/2

(f) The East Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 27: N/2

Section 28: N/2

(g) The South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 20: W/2

(h) The Cedar Canyon-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 21: SE/4

(i) The Cedar Canyon-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 11: W/2

Case No. 11530
Order No. R-10591

-4-

(j) The South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 34: W/2

(k) The Happy Valley-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 32: NE/4

(l) The Loco Hills-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 20 EAST, NMPM

Section 35: N/2

Section 36: N/2

(m) The Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 30: SW/4

(n) The West Parkway-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 30: S/2

(o) The Southeast Quahada Ridge-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 36: NE/4

(p) The Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11530
Order No. R-10591
-5-

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 7: E/2

Section 8: W/2

(q) The Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 16: N/2

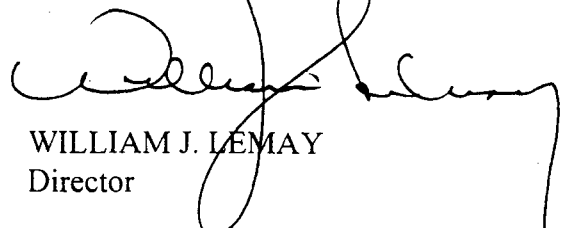
IT IS FURTHER ORDERED THAT:

(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 June 1, 1996.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

fd/

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 11530
Order No. R-10591-A

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

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-10591 dated May 8, 1996, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (I) on page 4 of said Division Order No. R-10591 be and the same is hereby amended to read as follows:

“(1) The Loco Hills-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH. RANGE 30 EAST. NMPM

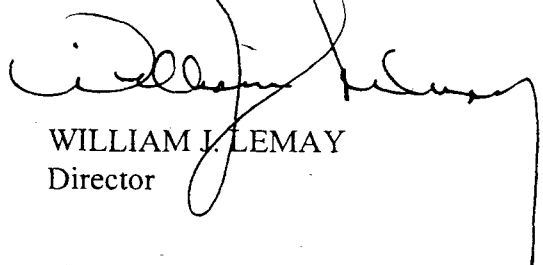
Section 35: N/2

Section 36: N/2”

(2) The corrections set forth in this order be entered nunc pro tunc as of May 8, 1996.

DONE at Santa Fe, New Mexico, on this 17th day of May, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

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. 13540
Order No. R-12420

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
EXTENDING CERTAIN POOLS IN CHAVES AND
EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 11 and September 8, 2005, at Santa Fe, New Mexico, before Examiners William V. Jones and David R. Catanach, respectively.

NOW, on this 6th 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 Chaves County, New Mexico for the production of gas from the Wolfcamp formation, bearing the designation of Alkali Draw-Wolfcamp Gas Pool (**Pool Code 97461**). The Alkali Draw-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Willow Creek "BFI" State Well No. 6 (**API No. 30-005-63691**) located in Unit C of Section 30, Township 4 South, Range 25 East, NMPM, which was completed in the Wolfcamp formation on March 24, 2005. The top of the perforations is at 4,764 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Wolfcamp formation, bearing the designation of East Black River-Wolfcamp Gas Pool (**Pool Code 97442**). The East Black River-Wolfcamp Gas Pool was discovered by the Mewbourne Oil Company State MS Gas Com. Well No.

1 (**API No. 30-015-24176**) located in Unit C of Section 12, Township 24 South, Range 27 East, NMPM, which was completed in the Wolfcamp formation on January 21, 1997. The top of the perforations is at 10,350 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Wolfcamp formation, bearing the designation of West Comanche-Wolfcamp Gas Pool (**Pool Code 97465**). The West Comanche-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Killer Bee State Com. Well No. 7 (**API No. 30-005-63704**) located in Unit M of Section 32, Township 10 South, Range 26 East, NMPM, which was completed in the Wolfcamp formation on January 24, 2005. The top of the perforations is at 4,952 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico for the production of oil from the Siluro-Devonian formation, bearing the designation of Comanche Draw-Siluro-Devonian Pool (**Pool Code 97458**). The Comanche Draw-Siluro-Devonian Pool was discovered by the Elk Oil Company Cobra Federal Well No. 2 (**API No. 30-005-63735**) located in Unit L of Section 19, Township 11 South, Range 27 East, NMPM, which was completed in the Siluro-Devonian formation on May 3, 2005. The top of the perforations is at 6,178 feet.

(6) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Strawn formation, bearing the designation of County Line-Strawn Gas Pool (**Pool Code 97448**). The County Line-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Federal CL Well No. 5 (**API No. 30-005-00469**) located in Unit G of Section 34, Township 15 South, Range 29 East, NMPM, which was completed in the Strawn formation on November 29, 2004. The top of the perforations is at 9,726 feet.

(7) 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, bearing the designation of Deadman Draw-Bone Spring Pool (**Pool Code 97443**). The Deadman Draw-Bone Spring Pool was discovered by the Marbob Energy Corporation Rio Siete Federal Well No. 1 (**API No. 30-015-33662**) located in Unit P of Section 1, Township 21 South, Range 24 East, NMPM, which was completed in the Bone Spring formation on March 6, 2005. The top of the perforations is at 7,003 feet.

(8) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Abo formation, bearing the designation of Hart Canyon-Abo Pool (**Pool Code 97450**). The Hart Canyon-Abo Pool was discovered by the Marbob Energy Corporation Federal CE Gas Com. Well No. 1 (**API No. 30-015-23891**) located in Unit G of Section 1, Township 17 South, Range 27 East, NMPM, which was completed in the Abo formation on May 7, 2005. The top of the perforations is at 6,340 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Wolfcamp formation, bearing the designation of

Northwest Lake McMillan-Wolfcamp Pool (**Pool Code 97463**). The Northwest Lake McMillan-Wolfcamp Pool was discovered by the Yates Petroleum Corporation Lake Wood 15 Well No. 1 (**API No. 30-015-33574**) located in Unit I of Section 15, Township 19 South, Range 26 East, NMPM, which was completed in the Wolfcamp formation on June 22, 2005. The top of the perforations is at 7,054 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Glorieta-Yeso formation, bearing the designation of Long Draw-Glorieta-Yeso Pool (**Pool Code 97451**). The Long Draw-Glorieta-Yeso Pool was discovered by the Yates Petroleum Corporation Prickly Pear "AIE" Federal Well No. 1 (**API No. 30-015-26738**) located in Unit F of Section 23, Township 20 South, Range 24 East, NMPM, which was completed in the Glorieta-Yeso formation on April 20, 2005. The top of the perforations is at 2,414 feet.

(11) There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Upper Pennsylvanian formation, bearing the designation of Northeast Rio Penasco-Upper Pennsylvanian Gas Pool (**Pool Code 97459**). The Northeast Rio Penasco-Upper Pennsylvanian Gas Pool was discovered by the David Arrington Oil & Gas, Inc. Gold Stonefly Federal 12 Com. Well No. 1 (**API No. 30-015-32260**) located in Unit M of Section 12, Township 18 South, Range 24 East, NMPM, which was completed in the Upper Pennsylvanian formation on May 20, 2005. The top of the perforations is at 6,380 feet.

(12) There is need for extensions to the Antelope Sink-Upper Pennsylvanian Gas Pool, the Avalon-Delaware Pool, the East Burton Flat-Atoka Gas Pool, the Burton Flat-Morrow Gas Pool, the East Burton Flat-Morrow Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Northwest Corral Canyon-Delaware Pool, the Diamond Mound-Wolfcamp Gas Pool, the Eagle Creek-Strawn Gas Pool, the Empire-Abo Pool, the Northwest Empire-Wolfcamp Pool., the Forty-Niner Ridge-Delaware Pool, the West Four Mile-Strawn Gas Pool, the Grayburg-Upper Pennsylvanian Gas Pool, the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, the HG-Morrow Gas Pool, the Northwest Hackberry-Bone Spring Pool, the Hackberry-Wolfcamp Pool, the Happy Valley-Morrow Gas Pool, the Northeast Harroun Ranch-Delaware Pool, the East Hess Hills-Upper Pennsylvanian Gas Pool, the North Illinois Camp-Morrow Gas Pool, the Northwest Indian Basin-Morrow Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the Southeast La Huerta-Atoka Gas Pool, the South Livingston Ridge-Delaware Pool, the Northwest Loco Hills-Wolfcamp Pool, the Logan Draw-Morrow Gas Pool, the Malaga-Atoka Gas Pool, the South Millman-Morrow Gas Pool, the Nash Draw-Delaware Pool, the Otis-Atoka Gas Pool, the Penasco Draw-Permo Pennsylvanian Gas Pool, the Southeast Quahada Ridge-Delaware Pool, the Red Lake-Atoka-Morrow Gas Pool, the Northeast Red Lake-Glorieta-Yeso Pool, the Red Lake Shores-Glorieta-Yeso Pool, the Robina Draw-Atoka Gas Pool, the Sand Tank-Bone Spring Pool, the Scanlon-Delaware Pool, the North Shugart-Bone Spring Pool, the Tamano-Bone Spring Pool, the Tansill Dam-Atoka Gas Pool, the Winchester-Wolfcamp Gas Pool, the North Winchester-Wolfcamp Pool, and the Wye-Delaware Pool, all in Eddy County, New Mexico; and the Broke Tank Lake-Atoka Gas

Pool, the Buffalo Valley-Pennsylvanian Gas Pool, the Comanche-Wolfcamp Gas Pool, the Foor Ranch-Pre-Permian Gas Pool, the North Foor Ranch-Pre-Permian Gas Pool, and the Lost Lake-Wolfcamp Gas Pool, all in Chaves County, New Mexico.

(13) The effective date of this order and all creations and extensions included herein should be October 1, 2005.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production is hereby created and designated as the Alkali Draw-Wolfcamp Gas Pool (**Pool Code 97461**), consisting of the following described area:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 30: W/2

(b) A new pool in Eddy County, New Mexico classified as a gas pool for Wolfcamp production is hereby created and designated as the East Black River-Wolfcamp Gas Pool (**Pool Code 97442**), consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM

Section 12: N/2

(c) A new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production is hereby created and designated as the West Comanche-Wolfcamp Gas Pool (**Pool Code 97465**), consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 32: S/2

(d) A new pool in Chaves County, New Mexico classified as an oil pool for Siluro-Devonian production is hereby created and designated as the Comanche Draw-Siluro-Devonian Pool (**Pool Code 97458**), consisting of the following described area:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 19: SW/4

(e) A new pool in Chaves County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the County Line-Strawn Gas Pool (**Pool Code 97448**), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 34: N/2

(f) A new pool in Eddy County, New Mexico classified as an oil pool for Bone Spring production is hereby created and designated as the Deadman Draw-Bone Spring Pool (**Pool Code 97443**), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 1: SE/4

(g) A new pool in Eddy County, New Mexico classified as an oil pool for Abo production is hereby created and designated as the Hart Canyon-Abo Pool (**Pool Code 97450**), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 1: SW/4

(h) A new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Northwest Lake McMillan-Wolfcamp Pool (**Pool Code 97463**), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM

Section 15: SE/4

(i) A new pool in Eddy County, New Mexico classified as an oil pool for Glorieta-Yeso production is hereby created and designated as the Long Draw-Glorieta-Yeso Pool (**Pool Code 97451**), consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 23: SE/4

(j) A new pool in Eddy County, New Mexico classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the Northeast Rio Penasco-Upper Pennsylvanian Gas Pool (**Pool Code 97459**), consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 12: W/2

(k) The Antelope Sink-Upper Pennsylvanian Gas Pool (**Pool Code 70520**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 23: W/2 and NE/4

Section 26: W/2

Section 27: S/2

Section 33: E/2

Section 34: W/2

Section 35: W/2

(l) The Avalon-Delaware Pool (**Pool Code 3715**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 25: SW/4

(m) The Broke Tank Lake-Atoka Gas Pool (**Pool Code 97166**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 2: E/2
Section 11: NE/4
Section 12: N/2

(n) The Buffalo Valley-Pennsylvanian Gas Pool (**Pool Code 73080**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 27: E/2

(o) The East Burton Flat-Atoka Gas Pool (**Pool Code 73200**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 6: S/2

(p) The Burton Flat-Morrow Gas Pool (**Pool Code 73280**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 7: All

(q) The East Burton Flat-Morrow Gas Pool (**Pool Code 73320**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 6: N/2

(r) The South Carlsbad-Morrow Gas Pool (**Pool Code 73960**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 15: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 31: W/2

(s) The Cemetery-Morrow Gas Pool (**Pool Code 74640**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 16: E/2

(t) The Comanche-Wolfcamp Gas Pool (**Pool Code 97120**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 24: All

(u) The Northwest Corral Canyon-Delaware Pool (**Pool Code 96464**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 11: W/2

(v) The Diamond Mound-Wolfcamp Gas Pool (**Pool Code 97243**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 16: All

(w) The Eagle Creek-Strawn Gas Pool (**Pool Code 76320**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 29: NE/4

(x) The Empire-Abo Pool (**Pool Code 22040**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: SW/4

(y) The Northwest Empire-Wolfcamp Pool (**Pool Code 97286**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 35: SE/4
Section 36: SW/4

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 1: W/2

(z) The Foor Ranch-Pre-Permian Gas Pool (**Pool Code 76730**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 1: W/2

Section 2: All

Section 9: W/2

Section 12: W/2

(aa) The North Foor Ranch-Pre-Permian Gas Pool (**Pool Code 97094**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 7: E/2

Section 8: All

(bb) The Forty-Niner Ridge-Delaware Pool (**Pool Code 24750**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 21: E/2

Section 22: S/2

(cc) The West Four Mile-Strawn Gas Pool (**Pool Code 77020**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 32: SE/4

Section 33: S/2

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM

Section 5: E/2

(dd) The Grayburg-Upper Pennsylvanian Gas Pool (**Pool Code 29270**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 28: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 24: N/2 NE/4, SE/4 NE/4 and E/2 SE/4

(ff) The HG-Morrow Gas Pool (**Pool Code 78400**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 30: W/2

(gg) The Northwest Hackberry-Bone Spring Pool (**Pool Code 97020**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 17: S/2

Section 18: S/2

(hh) The Hackberry-Wolfcamp Pool (**Pool Code 97081**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 7: W/2

Section 18: W/2 and SE/4

(ii) The Happy Valley-Morrow Gas Pool (**Pool Code 78060**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 3: N/2

Section 4: NE/4

(jj) The Northeast Harroun Ranch-Delaware Pool (**Pool Code 96878**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 16: E/2

Section 21: E/2

(kk) The East Hess Hills-Upper Pennsylvanian Gas Pool (**Pool Code 97383**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM

Section 35: W/2

(ll) The North Illinois Camp-Morrow Gas Pool (**Pool Code 78890**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 19: W/2

(mm) The Northwest Indian Basin-Morrow Gas Pool (**Pool Code 79000**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 16: W/2

Section 17: S/2

Section 21: W/2

(nn) The Indian Basin-Upper Pennsylvanian Associated Pool (**Pool Code 33685**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 1: S/2

(oo) The Southeast La Huerta-Atoka Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 24: W/2

Section 25: NW/4

Section 26: N/2

(pp) The South Livingston Ridge-Delaware Pool (**Pool Code 96149**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 1: NE/4

(qq) The Northwest Loco Hills-Wolfcamp Pool (**Pool Code 97092**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 23: E/2

Section 26: NE/4

(rr) The Logan Draw-Morrow Gas Pool (**Pool Code 80400**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 19: N/2

(ss) The Lost Lake-Wolfcamp Gas Pool (**Pool Code 97281**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 24 EAST, NMPM

Section 36: E/2

TOWNSHIP 10 SOUTH, RANGE 24 EAST, NMPM

Section 1: N/2

(tt) The Malaga-Atoka Gas Pool (**Pool Code 80890**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 23: N/2

(uu) The South Millman-Morrow Gas Pool (**Pool Code 81365**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 9: E/2

(vv) The Nash Draw-Delaware Pool (**Pool Code 47545**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 19: NE/4

(ww) The Otis-Atoka Gas Pool (**Pool Code 96891**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 14: E/2

Section 23: E/2

Section 26: N/2

(xx) The Penasco Draw-Permo Pennsylvanian Gas Pool (**Pool Code 82775**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 16: NE/4

Section 17: N/2

Section 18: E/2

Section 33: NE/4

Section 34: N/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 6: E/2

(yy) The Southeast Quahada Ridge-Delaware Pool (**Pool Code 50443**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 25: NW/4

(zz) The Red Lake-Atoka-Morrow Gas Pool (**Pool Code 83620**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 13: W/2
Section 14: E/2

(aaa) The Northeast Red Lake-Glorieta-Yeso Pool (**Pool Code 96836**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 34: NW/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 2: E/2

(bbb) The Red Lake Shores-Glorieta-Yeso Pool (**Pool Code 97130**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 16: N/2

(ccc) The Robina Draw-Atoka Gas Pool (**Pool Code 83890**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 9: W/2
Section 16: NW/4

(ddd) The Sand Tank-Bone Spring Pool (**Pool Code 96832**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 7: N/2

(eee) The Scanlon-Delaware Pool (**Pool Code 55500**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 26: SW/4

Section 27: SE/4

(fff) The North Shugart-Bone Spring Pool (**Pool Code 56405**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 12: NE/4

(ggg) The Tamano-Bone Spring Pool (**Pool Code 58040**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 10: NW/4

(hhh) The Tansill Dam-Atoka Gas Pool (**Pool Code 85900**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 9: S/2

(iii) The Winchester-Wolfcamp Gas Pool (**Pool Code 87760**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 32: S/2

(jjj) The North Winchester-Wolfcamp Pool (**Pool Code 65033**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 15: All

(kkk) The Wye-Delaware Pool (**Pool Code 96378**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 30: SE/4

Section 31: NE/4

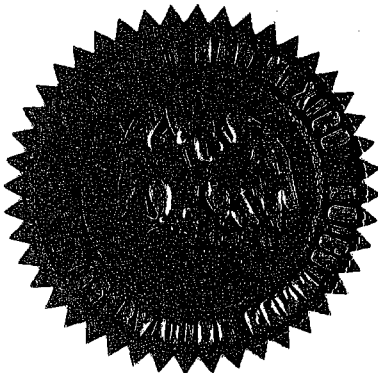
IT IS FURTHER ORDERED THAT:

(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 and extensions included herein shall be October 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 dark ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

MARK E. FESMIRE, P.E.
Director