AUG 1 2 2004

OIL CONSERVATION DIVISION ARTESIA, NEW MEXICO DISTRICT II NOMENCLATURE ADVERTISEMENT`

OIL CONSERVATION DIVISION

In the matter of the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department upon its own motion for an order for the creation, discovery allowable assignment and extension of certain existing pools in Chaves and Eddy County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof, to show cause why such creation, discovery allowable assignment, and extensions and or deletions should not be made.

(A) Create a new pool in Eddy County, New Mexico classified as a gas pool and designated as the Cottonwood Creek; Abo, East Gas Pool (Pool Code 97373) discovery well, the Thames '31' Federal #1 (API No. 30-015-33139) completed by Perenco LLC, is located in Unit A of Section 31, Township 16 South, Range 25 East, NMPM.

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 31: E/2

(B) Create a new pool in Eddy County, New Mexico classified as a gas pool and designated as the Tansill Dam; Atoka, East Gas Pool (Pool Code 97372). The discovery well, the Otis '1' # 2 (API No. 30-015-32888) completed by Mewbourne Oil Company, is located in Unit K of Section 1, Township 22 South, Range 27 East, NMPM.

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 1: S/2 9009

(C) Create a new pool in Eddy County, New Mexico classified as an eil pool and designated as the Walters Lake; Mississippian Gas Pool (Pool Code 97370). The discovery well, the Arnold Federal #1 (API No. 30-015-23988) completed by Pecos Production Company, is located in Unit G of Section 34, Township 17 South, Range 30 East, NMPM.

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 34: N/2

(D) Extend the Burton Flat; Morrow Gas Pool (Pool Code73280) in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 1: S/2

(E) Extend the Cabin Lake; Delaware Oil Pool (Pool Code 8435) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 7: SW/4

(F) Extend the Canyon; Wolfcamp Oil Pool (Pool Code 8450) in Eddy County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 25:SW/4

(G) Extend the Carlsbad; Morrow, South Gas Pool (Pool Code 73960) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 14: NW/4 & Section 15: N/2

(H) Extend the Foor Ranch; Pre-Permian, North Gas Pool (Pool Code 97094) in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 5: E/2

(I) Extend the Foor Ranch; Wolfcamp Gas Pool (Pool Code 76750) in Chaves County, New Mexico to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 9: SW/4 and Section 16: W/2

(J) Extend the Happy Valley; Morrow Gas Pool (Pool Code 78060) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 3: S/2 & Section 4: SE/4

(K) Extend the Ingle Wells; Delaware Oil Pool (Pool Code 33745) in Eddy County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 22: SE/4

(L) Extend the Indian Basin; Morrow, Southwest Gas Pool (Pool Code 79030) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 13: W/2 and SE/4

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 18: SW/4

(M) Extend the Illinois Camp; Morrow, North Gas Pool (Pool Code 78890) in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 30: N/2

(N) Extend the Little Box Canyon; Morrow Gas Pool (Pool Code 80240) in Eddy County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 32: W/2

(O) Extend the McKittrick Hills; Upper Pennsylvanian Gas Pool (Pool Code 81160) in Eddy County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 12: N/2 & Section 13: N/2

(P) Extend the Red Lake; Glorieta-Yeso, Northeast Oil Pool (Pool Code 96836) in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 3: NE/4

(Q) Extend the Red Lake Shores; Grayburg Oil Pool (Pool Code 97335) in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

: Section 21: SW/4

(R) Extend the Runyan Ranch; Abo Gas Pool (Pool Code 84340) in Eddy County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 6: SE/4 & Section 7: NE/4

(S) Extend the Springer Basin; Strawn Gas Pool (Pool Code 96216) in Chaves County, New Mexico to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM

Section 14: NW/4 & Section 15: E/2

(T) Extend the Tamano; Bone Spring Oil Pool (Pool Code 58040) in Eddy County, New Mexico to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 15: NE/4

(U) Extend the Turkey Track; Atoka Gas Pool (Pool Code 86445) in Eddy County, New Mexico to include therein:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 6: W/2

(V) Extend the White City; Wolfcamp Gas Pool (Pool Code 87285) in Eddy County, New Mexico to include therein:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM

Section 11: W/2