

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. 13452
Order No. R-12317

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
EXTENDING CERTAIN POOLS IN LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 17, 2005, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of March, 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 Strawn formation, bearing the designation of Northwest Big Dog-Strawn Pool (**Pool Code 97392**). The Northwest Big Dog-Strawn Pool was discovered by the David H. Arrington Oil and Gas Inc. Steves Hopper 25 Well No. 1 (**API No. 30-025-36080**) located in Unit I of Section 25, Township 15 South, Range 34 East, NMPM, which was completed in the Strawn formation on February 2, 2004. The top of the perforations is at 11,588 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 East Caudill-Atoka Gas Pool (**Pool Code 97395**). The East Caudill-Atoka Gas Pool was discovered by the Chesapeake Operating Inc. Sinclair State Well No. 1 (**API No. 30-025-20476**) located in Unit B of Section 11, Township 15 South, Range 36 East, NMPM,

which was completed in the Atoka formation on June 19, 2004. The top of the perforations is at 12,688 feet.

(4) 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 Corbin-Wolfcamp Pool (**Pool Code 97412**). The Corbin-Wolfcamp Pool was discovered by the ConocoPhillips Company KG 35 State Com Well No. 1 (**API No. 30-025-36370**) located in Unit I of Section 35, Township 17 South, Range 33 East, NMPM, which was completed in the Wolfcamp formation on March 30, 2004. The top of the perforations is at 10,430 feet.

(5) 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 West Eight Mile Draw-Atoka Gas Pool (**Pool Code 97379**). The West Eight Mile Draw-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Kris State Unit Well No. 2 (**API No. 30-025-36564**) located in Unit P of Section 29, Township 11 South, Range 34 East, NMPM, which was completed in the Atoka formation on July 28, 2004. The top of the perforations is at 11,972 feet.

(6) 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 West Grama Ridge-Wolfcamp Pool (**Pool Code 97393**). The West Grama Ridge-Wolfcamp Pool was discovered by the BTA Oil Producers Burgundy 20005 JV-P Well No. 1 (**API No. 30-025-35178**) located in Unit E of Section 35, Township 21 South, Range 34 East, NMPM, which was completed in the Wolfcamp formation on August 1, 2004. The top of the perforations is at 11,429 feet.

(7) 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 West Leamex-Morrow Gas Pool (**Pool Code 97387**). The West Leamex-Morrow Gas Pool was discovered by the Patterson Petroleum LP. J F Cooper 19 State Well No. 1 (**API No. 30-025-36597**) located in Unit D of Section 19, Township 17 South, Range 33 East, NMPM, which was completed in the Morrow formation on August 28, 2004. The top of the perforations is at 13,466 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Paddock formation, bearing the designation of East Maljamar-Paddock Pool (**Pool Code 97417**). The East Maljamar-Paddock Pool was discovered by the Patterson Petroleum LP. Paddy 13 State Well No. 1 (**API No. 30-025-36843**) located in Unit P of Section 13, Township 17 South, Range 32 East, NMPM, which was completed in the Paddock formation on January 1, 2005. The top of the perforations is at 5,866 feet.

(9) 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 South Osudo-Strawn Gas Pool (**Pool Code 97396**). The South Osudo-Strawn Gas Pool was

discovered by the Chevron U S A Inc. Bell 16 State Com Well No. 1 (**API No. 30-025-36510**) located in Unit N of Section 16, Township 21 South, Range 35 East, NMPM, which was completed in the Strawn formation on July 28, 2004. The top of the perforations is at 11,274 feet.

(10) 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 North Rock Lake-Atoka Gas Pool (**Pool Code 97408**). The North Rock Lake-Atoka Gas Pool was discovered by the Pure Resources LP. Cochise 15 State Well No. 1 (**API No. 30-025-36703**) located in Unit D of Section 15, Township 22 South, Range 35 East, NMPM, which was completed in the Atoka formation on November 2, 2004. The top of the perforations is at 12,082 feet.

(11) 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 Southeast Rock Lake-Wolfcamp Pool (**Pool Code 96851**). The Southeast Rock Lake-Wolfcamp Pool was discovered by the Devon Energy Production Company LP. Flintstone Federal Well No. 1 (**API No. 30-025-34253**) located in Unit F of Section 24, Township 23 South, Range 35 East, NMPM, which was completed in the Wolfcamp formation on November 20, 2004. The top of the perforations is at 10,038 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Abo formation, bearing the designation of Southwest Saunders-Abo Pool (**Pool Code 97388**). The Southwest Saunders-Abo Pool was discovered by the Yates Petroleum Corporation Woodpecker SY State Well No. 4 (**API No. 30-025-27942**) located in Unit C of Section 21, Township 14 South, Range 33 East, NMPM, which was completed in the Abo formation on April 25, 2004. The top of the perforations is at 8,917 feet.

(13) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Mississippian formation, bearing the designation of Northeast Shoe Bar-Mississippian Gas Pool (**Pool Code 97401**). The Northeast Shoe Bar-Mississippian Gas Pool was discovered by the Stanolind Operating Corporation Berry Hobbs Unit 17 Well No. 1 (**API No. 30-025-36657**) located in Unit J of Section 17, Township 16 South, Range 36 East, NMPM, which was completed in the Mississippian formation on July 13, 2004. The top of the perforations is at 12,357 feet.

(14) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Atoka formation, bearing the designation of Stallion-Atoka Pool (**Pool Code 97409**). The Stallion-Atoka Pool was discovered by the Fagadau Energy Corporation Lowe Federal Well No. 1 (**API No. 30-025-29647**) located in Unit D of Section 7, Township 13 South, Range 38 East, NMPM, which was completed in the Atoka formation on October 19, 2004. The top of the perforations is at 11,203 feet.

(15) 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 East

Triste Draw-Strawn Gas Pool (Pool Code 97384). The East Triste Draw-Strawn Gas Pool was discovered by the Latigo Petroleum Inc. Copperhead 18 State Well No. 1 (API No. 30-025-36489) located in Unit P of Section 18, Township 24 South, Range 33 East, NMPM, which was completed in the Strawn formation on June 21, 2004. The top of the perforations is at 14,228 feet.

(16) There is need for the creation of a new pool in Lea County, New Mexico for the production of oil from the Mississippian formation, bearing the designation of **South Vacuum-Mississippian Pool (Pool Code 97411).** The South Vacuum-Mississippian 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 Mississippian formation on September 30, 2004. The top of the perforations is at 10,722 feet.

(17) There is need for the creation of a new pool in Lea County, New Mexico for the production of gas from the Austin formation, bearing the designation of **X-4 Ranch-Austin Gas Pool (Pool Code 97407).** The X-4 Ranch-Austin Gas Pool was discovered by the Yates Petroleum Corporation Tubb State Unit Well No. 1 (API No. 30-025-22509) located in Unit G of Section 16, Township 10 South, Range 34 East, NMPM, which was completed in the Austin formation on September 8, 2004. The top of the perforations is at 12,354 feet.

(18) 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 **West X-4 Ranch-Morrow Gas Pool (Pool Code 97382).** The West X-4 Ranch-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Cash State Unit Well No. 2 (API No. 30-025-36622) located in Unit F of Section 18, Township 10 South, Range 34 East, NMPM, which was completed in the Morrow formation on July 23, 2004. The top of the perforations is at 12,189 feet.

(19) There is need for extensions to the Northeast Bell Lake-Devonian Gas Pool, the Mid Bell Lake-Morrow Gas Pool, the Bootleg Ridge-Morrow Gas Pool, the Corbin-Bone Spring Pool, the South Corbin-Bone Spring Pool, the D-K-Abo Pool, the North Eidson-Morrow Gas Pool, the Northwest Eight Mile Draw-Morrow Gas Pool, the Eight Mile Draw-Permo Upper Pennsylvanian Pool, the Southwest Eunice-San Andres Pool, the North Four Lakes-Atoka Gas Pool, the Four Lakes-Morrow Gas Pool, the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, the Southeast Greenwood-Morrow Gas Pool, the Hat Mesa-Morrow Gas Pool, the House-Blinbry Pool, the House-Tubb Pool, the Southeast Lane-Abo Pool, the North Lusk-Bone Spring Pool, the North Lusk-Wolfcamp Pool, the North Mescalero-Cisco Pool, the Monument-Tubb Pool, the Nadine-Blinbry Pool, the Nadine-Drinkard-Abo Pool, the South Osudo-Morrow Gas Pool, the Paddock Pool, the Querecho Plains-Lower Bone Spring Pool, the Red Hills-Bone Spring Pool, the West Red Tank-Delaware Pool, the Sand Springs-Mississippian Gas Pool, the South Saunders-Permo Upper Pennsylvanian Pool, the North Shoe Bar-Wolfcamp Pool, the Skaggs-Drinkard Pool, the East Tamano-Delaware Pool, the Tonto-Seven Rivers Pool, the Townsend-Permo Upper Pennsylvanian Pool, the

Trinity-Wolfcamp Pool, the Triple X-Delaware Pool, the West Triste Draw-Delaware Pool, the West Vacuum-Bone Spring Pool, the Vacuum-Morrow Gas Pool, the Wantz-Abo Pool, the East Warren-Tubb Pool, the North Young-Bone Spring Pool, and the Young-San Andres 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 Strawn production is hereby created and designated as the Northwest Big Dog-Strawn Pool (Pool Code 97392), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 25: SE/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 East Caudill-Atoka Gas Pool (Pool Code 97395), consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 11: E/2

(c) A new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Corbin-Wolfcamp Pool (Pool Code 97412), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: SE/4

(d) A new pool in Lea County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the West Eight Mile Draw-Atoka Gas Pool (Pool Code 97379), consisting of the following described area:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 29: E/2

(e) A new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the West Grama Ridge-Wolfcamp Pool (Pool Code 97393), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: NW/4

(f) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the West Leamex-Morrow Gas Pool (Pool Code 97387), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 19: N/2

(g) A new pool in Lea County, New Mexico classified as an oil pool for Paddock production is hereby created and designated as the East Maljamar-Paddock Pool (Pool Code 97417), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4

(h) A new pool in Lea County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the South Osudo-Strawn Gas Pool (Pool Code 97396), consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2

(i) A new pool in Lea County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the North Rock Lake-Atoka Gas Pool (Pool Code 97408), consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 15: W/2

(j) A new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Southeast Rock Lake-Wolfcamp Pool (Pool Code 96851), consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM
Section 24: NW/4

(k) A new pool in Lea County, New Mexico classified as an oil pool for Abo production is hereby created and designated as the Southwest Saunders-Abo Pool (Pool Code 97388), consisting of the following described area:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 21: NW/4

(l) A new pool in Lea County, New Mexico classified as a gas pool for Mississippian production is hereby created and designated as the Northeast Shoe Bar-Mississippian Gas Pool (Pool Code 97401), consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 17: E/2

(m) A new pool in Lea County, New Mexico classified as an oil pool for Atoka production is hereby created and designated as the Stallion-Atoka Pool (Pool Code 97409), consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM

Section 7: NW/4

(n) A new pool in Lea County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the East Triste Draw-Strawn Gas Pool (Pool Code 97384), consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 18: E/2

(o) A new pool in Lea County, New Mexico classified as an oil pool for Mississippian production is hereby created and designated as the South Vacuum-Mississippian Pool (Pool Code 97411), consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 26: SW/4

Section 27: SE/4

(p) A new pool in Lea County, New Mexico classified as a gas pool for Austin production is hereby created and designated as the X-4 Ranch-Austin Gas Pool (Pool Code 97407), consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 16: E/2

(q) A new pool in Lea County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the West X-4 Ranch-Morrow Gas Pool (Pool Code 97382), consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 7: S/2

Section 18: W/2

(r) The Northeast Bell Lake-Devonian Gas Pool (Pool Code 97328) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 33: N/2

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 4: S/2

Section 9: N/2

(s) The Mid Bell Lake-Morrow Gas Pool (Pool Code 72000) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 19: SE/4

(t) The Bootleg Ridge-Morrow Gas Pool (Pool Code 72650) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4
Section 9: N/2

(u) The Corbin-Bone Spring Pool (Pool Code 13155) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 31: E/2

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 6: NE/4

(v) The South Corbin-Bone Spring Pool (Pool Code 13160) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 21: NW/4

(w) The D-K-Abo Pool (Pool Code 15200) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 19: N/2

(x) The North Eidson-Morrow Gas Pool (Pool Code 76360) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 12: W/2
Section 26: SE/4

(y) 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 15: N/2
Section 17: SE/4 and N/2
Section 20: S/2

(z) The Eight Mile Draw-Permo Upper Pennsylvanian Pool (Pool Code 21480) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 13: E/2
Section 24: NE/4

(aa) The Southwest Eunice-San Andres Pool (Pool Code 24180) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 9: SW/4

(bb) The North Four Lakes-Atoka Gas Pool (Pool Code 76880) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 13: SE/4
Section 24: N/2

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 18: W/2

(cc) 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 6: NW/4

(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 19: NW/4

(ee) The Southeast Greenwood-Morrow Gas Pool (Pool Code 97224) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM

Section 6: W/2

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

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 6: Lots 9, 10, 11, 12, 13, 14, 15 and 16

(gg) The House-Blinebry Pool (Pool Code 33230) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 2: NW/4

(hh) The House-Tubb Pool (Pool Code 78760) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 12: SW/4

(ii) The Southeast Lane-Abo Pool (Pool Code 36676) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 15: NE/4

(jj) 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 32: SW/4

(kk) The North Lusk-Wolfcamp Pool (Pool Code 41608) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 28: SW/4
Section 33: NW/4

(ll) The North Mescalero-Cisco Pool (Pool Code 45750) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 12: NW/4

(mm) The Monument-Tubb Pool (Pool Code 47090) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 8: NW/4

(nn) The Nadine-Blinbry Pool (Pool Code 47395) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 32: SE/4

Section 33: SW/4 and N/2

(oo) The Nadine-Drinkard-Abo Pool (Pool Code 47510) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 32: SE/4

Section 33: SW/4

(pp) 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 3: SW/4 and Lots 11, 12, 13 and 14

Section 21: W/2

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

Section 16: SE/4

(rr) The Querecho Plains-Lower Bone Spring Pool (Pool Code 50510) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 22: SW/4

Section 27: NW/4

(ss) The Red Hills-Bone Spring Pool (Pool Code 51020) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 24: NE/4

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPPM

Section 6: NW/4

Section 19: NW/4

(tt) The West Red Tank-Delaware Pool (Pool Code 51689) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPPM

Section 6: N/2

(uu) The Sand Springs-Mississippian Gas Pool (Pool Code 97125) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPPM

Section 34: W/2

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPPM

Section 7: W/2

(vv) The South Saunders-Permo Upper Pennsylvanian Pool (Pool Code 55100) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPPM

Section 20: NW/4

(ww) The North Shoe Bar-Wolfcamp Pool (Pool Code 56295) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPPM

Section 16: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPPM

Section 1: NW/4

(yy) The East Tamano-Delaware Pool (Pool Code 97356) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPPM

Section 35: N/2

(zz) The Tonto-Seven Rivers Pool (Pool Code 59470) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 9: SE/4

(aaa) The Townsend-Permo Upper Pennsylvanian Pool (Pool Code 59847) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 11: SW/4

Section 15: NE/4

(bbb) 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 22: NW/4

(ccc) The Triple X-Delaware Pool (Pool Code 59920) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 6: NW/4

(ddd) The West Triste Draw-Delaware Pool (Pool Code 59945) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 29: NW/4

(eee) The West Vacuum-Bone Spring Pool (Pool Code 61910) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/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 28: S/2

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 5: W/2

Section 8: N/2

(ggg) The Wantz-Abo Pool (Pool Code 62700) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 11: NE/4

(hhh) The East Warren-Tubb Pool (Pool Code 87085) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 18: SE/4

(iii) The North Young-Bone Spring Pool (Pool Code 65350) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 35: E/2

(jjj) The Young-San Andres Pool (Pool Code 65550) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 29: NW/4

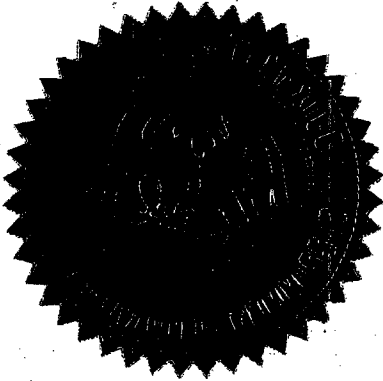
Section 30: SW/4 and N/2

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 April 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 cursive script, reading "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director