

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. 13696
Order No. R-12538

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CONTRACTING 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 April 13, 2006, at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 28th day of April, 2006, 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 contraction of the Blinebry Oil and Gas Pool (**Pool Code Oil – 6660, Gas – 72480**) in Lea County, New Mexico in order to correct nomenclature. The deleted acreage will be placed in the North Eunice-Blinebry-Tubb-Drinkard Pool (**Pool Code 22900**).

(3) There is need for the contraction of the Drinkard Pool (**Pool Code 19190**) in Lea County, New Mexico in order to correct nomenclature. The deleted acreage will be placed in the North Eunice-Blinebry-Tubb-Drinkard Pool (**Pool Code 22900**).

(4) There is need for the contraction of the Tubb Oil and Gas Pool (**Pool Code Oil – 60240, Gas – 86440**) in Lea County, New Mexico in order to correct

nomenclature. The deleted acreage will be placed in the North Eunice-Blinebry-Tubb-Drinkard Pool (**Pool Code 22900**).

(5) There is need for extensions to the Blinebry Oil and Gas Pool, the Drinkard Pool, the North Eunice-Blinebry-Tubb-Drinkard Pool, and the Tubb Oil and Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The Blinebry Oil and Gas Pool (**Pool Code Oil – 6660, Gas – 72480**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 11, 12, 13, 14, 15, SW/4 and W/2 SE/4
Section 4: Lot 15, SE/4 and S/2 SW/4
Section 8: NE/4 NW/4, E/2 SW/4 and E/2
Section 9: All
Section 11: N/2 and SE/4
Section 12: W/2 and W/2 E/2
Section 13: W/2, W/2 NE/4 and NW/4 SE/4
Section 14: E/2 and SW/4
Section 16: All
Section 17: E/2 SW/4 and E/2
Section 21: N/2

(b) The Drinkard Pool (**Pool Code 19190**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 11, 12, 13, 14, SW/4 and W/2 SE/4
Section 4: Lot 15, SE/4 and S/2 SW/4
Section 8: NE/4 NW/4, E/2 SW/4 and E/2
Section 9: All
Section 11: N/2 and SE/4
Section 12: W/2 and W/2 E/2
Section 13: W/2, W/2 NE/4 and NW/4 SE/4
Section 14: E/2 and SW/4
Section 16: All
Section 17: E/2 SW/4 and E/2
Section 21: N/2

(c) The Tubb Oil and Gas Pool (**Pool Code Oil – 60240, Gas – 86440**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lot 15, SE/4 and SE/4 SW/4
Section 8: E/2
Section 9: All
Section 13: SW/4
Section 14: E/2 and SW/4
Section 16: All
Section 17: E/2 SW/4 and E/2
Section 21: N/2

(d) The Blinebry Oil and Gas Pool (**Pool Code Oil - 6660, Gas - 72480**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 1, 2, 3, 6, 7 and 8
Section 5: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 7, 8, 9, 10 and 16
Section 5: S/2

(f) The North Eunice-Blinebry-Tubb-Drinkard Pool (**Pool Code 22900**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 1: Lots 11, 12, 13, 14, 15, SW/4 and W/2 SE/4
Section 4: Lot 15, SE/4 and S/2 SW/4
Section 8: NE/4 NW/4, E/2 SW/4 and E/2
Section 9: All
Section 11: N/2 and SE/4
Section 12: W/2 and W/2 E/2
Section 13: W/2, W/2 NE/4 and NW/4 SE/4
Section 14: E/2 and SW/4
Section 16: All
Section 17: E/2 SW/4 and E/2
Section 21: N/2

(g) The Tubb Oil and Gas Pool (**Pool Code Oil - 60240, Gas - 86440**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 4: N/2 SW/4

Section 5: S/2

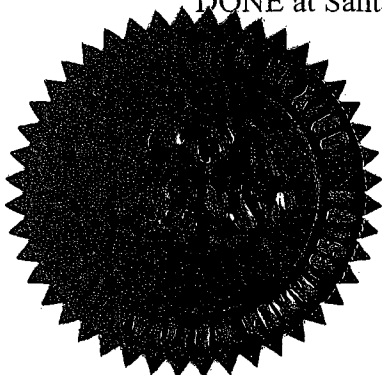
Section 8: W/2 W/2 and SE/4 NW/4

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 contractions and extensions included herein shall be May 1, 2006.

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