

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. 13214
Order No. R-12102

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER 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 February 5, 2004, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 10th day of February, 2004, 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 extensions to the East Burton Flat-Morrow Gas Pool, the East Carlsbad-Morrow Gas Pool, the East Cedar Lake-Morrow Gas Pool, the Crow Flats-Morrow Gas Pool, the Esperanza-Delaware Pool, the Southwest Forehand Ranch-Wolfcamp Pool, the Fren-Morrow Gas Pool, the Fren-Paddock Pool, the East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool, the Old Millman Ranch-Bone Spring Associated Pool, the Southeast Quahada Ridge-Delaware Pool, and the North Shugart-Morrow Gas Pool, all in Eddy County, New Mexico; and the Crockett Draw-Wolfcamp Gas Pool and the Foor Ranch-Pre-Permian Gas Pool, both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM

Section 7: SW/4

Section 18: W/2

(b) The East Carlsbad-Morrow Gas Pool (Pool Code 73920) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 19: W/2

(c) The East Cedar Lake-Morrow Gas Pool (Pool Code 74605) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 36: E/2

(d) The Crockett Draw-Wolfcamp Gas Pool (Pool Code 97282) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Section 15: E/2

Section 22: S/2 and NE/4

(e) The Crow Flats-Morrow Gas Pool (Pool Code 75720) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 28: N/2

(f) The Esperanza-Delaware Pool (Pool Code 22640) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 10: NW/4 NW/4 and S/2 NW/4

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

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 2: All

(h) The Southwest Forehand Ranch-Wolfcamp Pool (Pool Code 96409) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 19: SE/4

Section 20: SW/4

(i) The Fren-Morrow Gas Pool (Pool Code 96663) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 3: N/2

(j) The Fren-Paddock Pool (Pool Code 26770) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 22: NW/4

(k) The East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool (Pool Code 46555) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 7: SE/4

Section 8: SW/4

(l) The Old Millman Ranch-Bone Spring Associated Pool (Pool Code 48035) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 9: NE/4

(m) 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 24: SE/4

(n) The North Shugart-Morrow Gas Pool (Pool Code 85305) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 15: W/2

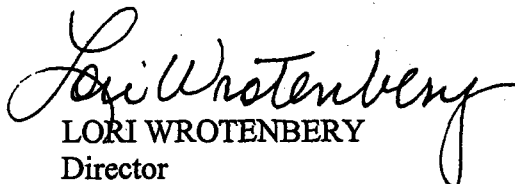
IT IS FURTHER ORDERED THAT:

(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 extensions included herein shall be March 1, 2004.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL