

Examiner Hearing - April 2, 1998

Docket No. 8-98

Page 3 of 9

CASE 11959: Application of UMC Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the S/2 of irregular Section 2, Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, including the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Townsend State Com. Well No. 6, located at an orthodox location 990 feet from the South line and 1650 feet from the West line of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 5 miles west of Lovington, New Mexico.

CASE 11960: Application of Redstone Oil & Gas Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 12, Township 23 South, Range 24 East, and in the following manner: All of Section 12 to form a standard 640-acre gas spacing and proration unit for any formations and/or pools developed on 640-acre spacing within said vertical extent, including but not limited to the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool; and the N/2 of Section 12 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent. Said units are to be dedicated to a well to be located at an unorthodox gas well location 500 feet from the North line and 2515 feet from the East line (Unit B) of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 11 miles northwest of Whites City, New Mexico.

CASE 11961: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Northwest Echol-Devonian Pool. The discovery well is the Cobra Oil & Gas Corporation State 7 Well No. 1 located in Unit P of Section 7, Township 10 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM

Section 7: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the South Hat Mesa-Delaware Pool. The discovery well is the Bass Enterprises Production Company Hat Mesa Well No. 1 located in Unit D of Section 10, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 10: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production and designated as the Litman-Seven Rivers Pool. The discovery well is the D.K. Boyd Oil & Gas Company Inc. Litman 8 Federal Well No. 1 located in Unit N of Section 8, Township 21 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM

Section 8: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the West Pearl-Delaware Pool. The discovery well is the Armstrong Energy Corporation Mobil 24 Federal Well No. 1 located in Unit K of Section 24, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 24: SW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the West Sawyer-Devonian Pool. The discovery well is the Cobra Oil & Gas Corporation State 16 Well No. 1Y located in Unit P of Section 16, Township 9 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 16: SE/4

Examiner Hearing - April 2, 1998

Docket No. 8-98

Page 4 of 9

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the North Shoe Bar-Atoka Pool. The discovery well is the Yates Petroleum Corporation Brunson AQK State Com Well No. 1 located in Unit G of Section 10, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 10: N/2

Section 11: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Trinity-Devonian Pool. The discovery well is the Charles B. Gillespie Jr. Hodge Well No. 1 located in Unit M of Section 27, Township 12 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 27: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Northeast Vacuum-Abo Pool. The discovery well is the Primero Operating Inc. Plains Radio State Well No. 1 located in Unit E of Section 23, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 23: NW/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the East Warren-Yates Pool. The discovery well is the Stevens & Tull Inc. Kyte Well No. 6 located in Unit I of Section 23, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: SE/4

- (j) CONTRACT the West Lovington-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 19: SW/4

Section 20: S/2

Section 29: All

Section 30: NW/4 and S/2

- (k) CONTRACT the West Lovington-Strawn Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 2: Lot 8

- (l) EXTEND the South Big Dog-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 2: Lot 8

- (m) EXTEND the Allison-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 1: NW/4

- (n) EXTEND the Apache Ridge-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 36: SE/4

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 31: W/2

Examiner Hearing - April 2, 1998
Docket No. 8-98
Page 5 of 9

- (o) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 22: W/2
- (p) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 14: SE/4
Section 23: NE/4
Section 24: NW/4
- (q) EXTEND the Corbin-Abo Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 1: NE/4
TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 6: W/2
- (r) EXTEND the Crazy Horse-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 24: W/2
- (s) EXTEND the Diamondtail-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 23: NE/4
- (t) EXTEND the Eumont-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 29: SE/4
- (u) EXTEND the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: NW/4
- (v) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4
- (w) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 33: N/2
- (x) EXTEND the South House-Blinebry Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 13: SW/4
- (y) EXTEND the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 9: S/2
Section 16: E/2

Examiner Hearing - April 2, 1998
Docket No. 8-98
Page 6 of 9

- (z) EXTEND the Mid Justis-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 25: SW/4

- (aa) EXTEND the North Justis-Montoya Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 26: SE/4

Section 35: NE/4

- (bb) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 7: SE/4

Section 8: SW/4

- (cc) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 6: Lots, 3, 4, 5, and 6

- (dd) EXTEND the West Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 21: N/2

- (ee) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 20: NW/4

- (ff) EXTEND the North Lusk-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 33: NE/4

- (gg) EXTEND the North Mescalero-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 2: S/2

- (hh) EXTEND the Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 22: SE/4

Section 23: NW/4

Section 26: NE/4

- (ii) EXTEND the North Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 23: SE/4

- (jj) EXTEND the Southeast Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 8: SE/4

Section 9: SW/4

Section 16: NW/4

Examiner Hearing - April 2, 1998
Docket No. 8-98
Page 7 of 9

(kk) EXTEND the Monument-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 6: SE/4

(ll) EXTEND the Nadine-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 27: NE/4 and S/2

(mm) EXTEND the West Nadine-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 5: NE/4

(nn) EXTEND the West Nadine-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 5: SW/4

Section 8: NW/4

(oo) EXTEND the West Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 20: N/2 and SE/4

Section 29: S/2

(pp) EXTEND the North Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 21: All

(qq) EXTEND the West Pearl-San Andres Pool in Lea County, New Mexico, to include therein:

SECTION 19 SOUTH, RANGE 35 EAST, NM,PM

Section 32: NW/4

(rr) EXTEND the South Quail Ridge-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 33: SE/4

Section 34: SW/4

(ss) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 29: NW/4

Section 30: N/2

(tt) EXTEND the Red Tank-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 24: NE/4

(uu) EXTEND the West Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: SE/4

Examiner Hearing - April 2, 1998
Docket No. 8-98
Page 8 of 9

- (vv) EXTEND the Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 23: S/2

- (ww) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 2: SW/4

Section 3: E/2

- (xx) EXTEND the East Skaggs-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 7: SE/4

Section 8: SW/4

Section 18: NE/4

- (yy) EXTEND the North Skaggs-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

Section 30: N/2 and SE/4

- (zz) EXTEND the Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

- (aaa) EXTEND the Northwest Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 34: SE/4

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 3: W/2 NE/4

- (bbb) EXTEND the Townsend-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 17: NW/4

Section 18: N/2 and SW/4

- (ccc) EXTEND the North Triste Draw-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 15: W/2

Section 16: SE/4

- (ddd) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 36: NE/4

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 30: SW/4

Section 31: NW/4

- (eee) EXTEND the Vacuum-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 35: NW/4

Examiner Hearing - April 2, 1998
Docket No. 8-98
Page 9 of 9

(fff) EXTEND the East Vacuum-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 27: NW/4 and S/2

(ggg) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 34: NW/4 and S/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: W/2
Section 9: NE/4
Section 10: NW/4

(hhh) EXTEND the Warren-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: NW/4

(iii) EXTEND the East Warren-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 25: SE/4
Section 36: E/2

(jjj) EXTEND the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 10: E/2 SE/4
Section 11: SW/4

(kkk) EXTEND the Weir-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4

(lll) EXTEND the North Young-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 7: SE/4
Section 18: NE/4

(mmm) EXTEND the Young-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4
Section 18: E/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.