

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 3, 1998**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 34-98 and 35-98 are tentatively set for December 17, 1998 and January 7, 1999. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 12089: Continued from November 19, 1998, Examiner Hearing.**

**Application of Mallon Oil Company for a non-standard gas spacing and proration unit and for an unorthodox gas well location, Rio Arriba County, New Mexico.** Applicant seeks approval of an unorthodox gas well location in both the Nacimiento and San Jose formations for its existing Jicarilla 464-30 Well No. 10 (API No. 30-039-25788), located 1700 feet from the North line and 800 feet from the West line (Lot 2/Unit F) of irregular Section 30, Township 30 North, Range 3 West. The applicant further seeks to dedicate gas production attributed to both intervals from this well to a non-standard 246.46-acre gas spacing and proration unit comprising Lots 1 and 2 and the NE/4 (N/2 equivalent) of Section 30, which is located approximately 1.5 miles north of U. S. Highway 64 at mile-marker No. 62.

**CASE 12092: Continued from November 19, 1998, Examiner Hearing.**

**Application of Corinne B. Grace d/b/a Grace Oil Company for compulsory pooling or, in the alternative for an order declaring Division Order No. R-4034 applicable, 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 2, Township 23 South, Range 26 East, and in the following manner: the S/2 thereby forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Carlsbad-Canyon Gas Pool, South Carlsbad-Strawn Gas Pool, South Carlsbad-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the SE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/o pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Happy Valley-Delaware Pool. These units are to be dedicated to the existing Humble Grace Com. Well No. 1 (API No. 30-015-20350) located 990 feet from the South line and 660 feet from the East line (Unit P) of Section 2. Also to be considered will be the costs of re-entering and the recompletion of this well and the allocation of the costs 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 the re-entry of this well. IN THE ALTERNATIVE, the applicant seeks an order from the Division that its Order No. R-4034, issued in Case No. 4398 and dated October 2, 1970 be declared applicable and relevant under the circumstances involving this well and in full force and effect. By Order No. R-4034, the Division pooled, in part, all mineral interests in the Strawn, Atoka, and Morrow formations underlying the S/2 of Section 2, in which the subject well was dedicated. This well is located south of Carlsbad, New Mexico approximately 1/4 mile east of U. S. Highway 62/180 between Derrick Street and Haston Road.

**CASE 12084: (Readvertised)**

**Application of Yates Petroleum Corporation for compulsory pooling and unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SE/4, in all formations developed on 80-acre spacing underlying the E/2 SE/4, and in all formations developed on 40-acre spacing underlying the NE/4 SE/4, from the surface to the base of the Morrow formation, Logan Draw-Morrow Gas Pool, in Section 8, Township 17 South, Range 27 East. The units are to be dedicated to the proposed Riverside ASS Federal Com Well No. 1 which will be drilled at an unorthodox well location 1650 feet from the South line and 660 feet from the East line (Unit L) of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. This area is located approximately 7 miles northeast of Artesia, New Mexico.

**CASE 12094: Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 40-acre spacing underlying Lot 15, from the surface to the base of the Strawn formation, in irregular Section 3, Township 16 South, Range 36 East. The units are to be dedicated to the proposed Quarry Well No. 1 which will be drilled at a standard location 3526 feet from the South line and 2095 feet from the East line of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. This area is located within the City of Lovington, New Mexico.

**CASE 12076: Continued from November 5, 1998, Examiner Hearing.**

**Application of Marbob Energy Corporation for simultaneous dedication and unorthodox well locations, Lea County, New Mexico.** Applicant seeks authorization to simultaneously dedicate its Lusk Deep Unit Well No. 1 located at an unorthodox well location 660 feet from the North and East lines (Unit A) its Lusk Deep Unit Well No. 5 located at a standard location 1980 feet from the South and East lines (Unit J) and its proposed Lusk Deep Unit Well No. 14 to be located at an unorthodox well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 19, Township 19 South, Range 32 East, to a standard 643.47-acre gas spacing unit comprised of Section 19 in the Lusk-Morrow Gas Pool. These wells are located approximately 14 miles south-southeast of Maljamar, New Mexico.

**CASE 12008:** Continued from November 5, 1998, Examiner Hearing.

**Application of Robert E. Landreth for a determination of reasonable well costs, Lea County, New Mexico.** Applicant, as a mineral interest owner in the standard 320-acre gas spacing and proration unit comprising the S/2 of Section 29, Township 22 South, Range 34 East, seeks an order ascertaining the reasonableness of actual well costs for: (i) the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 2-Y (API No. 30-025-34026), located 1650 feet from the South line and 1725 feet from the West line (Unit K) of Section 29; and (ii) the plugged and abandoned Gaucho Unit Well No. 2 (API No. 30-025-33682), located 1650 feet from the South and West lines (Unit K) of Section 29. This 320-acre unit was the subject of compulsory pooling Order No. R-10764, dated February 14, 1997. This area is located approximately 20 miles west by south of Eunice, New Mexico.

**CASE 12061:** Continued from November 19, 1998, Examiner Hearing.

**Application of Devon Energy Corporation (Nevada) for lease commingling, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 309 to permit lease commingling of Red Lake Queen-Grayburg-San Andres Pool, Glorieta formation, and Yeso formation production from 12 wells to be drilled on Federal Leases LC 061783-A and LC 061783-B, collectively covering the W/2 SW/4 of Section 3, and the SE/4 of Section 4, Township 18 South, Range 27 East, without separately metering production from each well or lease. The leases are located approximately 9 miles southeast of Artesia, New Mexico. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

**CASE 12080:** Continued from November 19, 1998, Examiner Hearing.

**Application of David H. Arrington Oil and Gas, Inc. for amendment of Division Order No. R-11028, Lea County, New Mexico.** Applicant seeks an order amending Order No. R-11028 to pool all mineral interests from the surface to the base of the Lower Mississippian formation, underlying Lots 11 through 14 and the SW/4 for all formations developed on 320-acre spacing including the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated North Hume-Morrow Gas Pool and the Undesignated Townsend-Morrow Gas Pool, the SW/4 for all formations developed on 160-acre spacing, the N/2 SW/4 for all formations developed on 80-acre spacing including but not limited to the Undesignated Big Dog-Strawn Pool, and the NE/4 SW/4 for all formations developed on 40-acre spacing including the Undesignated Northwest Townsend-Abo Pool, Townsend-Permian Upper Pennsylvanian Pool and the Undesignated Townsend-Strawn Pool, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location in the NE/4 SW/4 of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 5 miles west of Lovington, New Mexico.

**CASE 12051:** Continued from November 5, 1998, Examiner Hearing.

**Application of Texaco Exploration and Production Inc. for compulsory pooling, an unorthodox gas well location and non-standard spacing and proration units, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Upper Pennsylvanian formation and Morrow formation, Catclaw Draw-Morrow Gas Pool, underlying the following described acreage in irregular Section 1, Township 21 South, Range 25 East, in the following manner: Lots 11 through 14 and 17 through 28 to form a 555.74-acre non-standard gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within that vertical extent and, Lots 11 through 14 and Lots 19 through 22 to form a 288.19-acre non-standard spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent. The units are to be dedicated to the proposed Rocky Arroyo Federal Com Well No. 1 which is proposed at an unorthodox location 3200 feet from the North line and 660 feet from the West line (Unit L) of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 1 3/4 mile east of the junction of State Highway 137 and U.S. Highway 285, Eddy County, New Mexico.

**CASE 12034:** Continued from November 5, 1998, Examiner Hearing.

**Application of Matador Petroleum Corporation for approval of an unorthodox gas well location and to amend Order No. R-10872-B to approve a standard 600.01-acre gas spacing and proration unit, Eddy County New Mexico.** Applicant seeks to amend Order No. R-10872-B to create a standard 600.01-acre gas spacing and proration unit consisting of Lots 11 through 14, 25 through 32 and SW/4 (south two-thirds equivalent) of Irregular Section 1, Township 21 South, Range 25 East. In addition, applicant seeks authority for the drilling of an "infill well" to a depth sufficient to test the Morrow formation at an unorthodox gas well location 2080 feet from the South line and 750 feet from the West line of Irregular Section 1 and for approval of this unorthodox location for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Catclaw Draw-Morrow Gas Pool. In the event this well is productive from the Morrow formation, then it will be dedicated to this standard 600.01-acre gas proration and spacing unit. Said unit is located approximately 9 miles northwest of Carlsbad, New Mexico.

**CASE 12039:** Continued from October 8, 1998, Examiner Hearing.

**Application of Oil Conservation Division for an order requiring Harlow Corporation and/or Willow Pipeline Company to plug fifteen (15) wells in Chaves County, New Mexico.** In the matter of the hearing called by the Oil Conservation Division to permit the operator, Harlow Corporation and/or Willow Pipeline Company, and all other interested parties to appear and show cause why fifteen (15) wells located in Townships 8 South, Ranges 28 and 29 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug said wells, the Division seeks an order (i) requiring operator to properly plug wells in Chaves County; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bonds, and (iv) assessing fines for failure to comply with the order. These wells are located approximately 20 miles east-northeast of the Bitter Lake National Wildlife Refuge.

**CASE 12095:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Cereza Canyon-Gallup Pool. The discovery well is the Burlington Resources Oil & Gas Company San Juan 27-5 Unit Well No. 138E located in Unit O of Section 19, Township 27 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 19: SE/4

- (b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Munoz Canyon-Gallup Pool. The discovery well is the Burlington Resources Oil & Gas Company San Juan 28-5 Unit Well No. 54E located in Unit C of Section 20, Township 28 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 20: NW/4

- (c) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM

Section 15: NE/4

- (d) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 36: All

- (e) EXTEND the Cabresto Canyon-Ojo Alamo Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Section 4: SW/4

Section 5: S/2

Sections 7 and 8: All

Section 9: W/2

Sections 16 and 17: All

Section 18: NW/4 and S/2

Sections 19 through 21: All

Section 22: W/2

Section 27: W/2

Sections 28 and 29: All

Section 32: N/2

- (f) EXTEND the Crouch Mesa-Mesaverde Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 8: NW/4

- (g) EXTEND the South Los Pinos-Fruitland Sand-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM

Section 22: SW/4

Section 27: W/2

Section 28: SE/4

Section 34: NW/4

- (h) EXTEND the Lybrook-Gallup Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 31 S/2 NW/4 and NE/4 NW/4

- (i) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 26: SE/4

- (j) EXTEND the South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM

Section 28: SW/4 SE/4

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

**CASE 12096:**

In the matter of the hearing of the Oil Conservation Division for an order creating, contracting vertical and horizontal limits, redesignating, 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 Cam-Devonian Pool. The discovery well is the UMC Petroleum Corporation Hood State Well No. 1 located in Unit F of Section 25, Township 10 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for San Andres production and designated as the Cary-San Andres Gas Pool. The discovery well is the Texaco Exploration & Production, Inc. C. P. Falby B Federal Well No. 4 located in Unit L of Section 8, Township 22 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 8: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Southeast Crossroads-Devonian Pool. The discovery well is the Marbob Energy Corporation Lewis Fee Well No. 1 located in Unit N of Section 31, Township 9 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 31: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Fairview Mills-Strawn Gas Pool. The discovery well is the Burlington Resources Oil & Gas Company Pitchfork 4 Federal Well No. 2 located in Unit K of Section 4, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 4: S/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the North Feather-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Pluma ASD State Comm. Well No. 1 located in Unit L of Section 10, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 10: W/2

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Garrett-Abo Pool. The discovery well is the Browning Oil Company, Inc. Byers Well No. 1 located in Unit C of Section 29, Township 16 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 39 EAST, NMPM

Section 29: NW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Northwest Hare-San Andres Pool. The discovery well is the Conoco Inc. Deck Estate 7 Well No. 1 located in Unit L of Section 7, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Hume-San Andres Pool. The discovery well is the Santa Fe Energy Resources, Inc. Humble Hume 5 State Well No. 1 located in Unit W of Section 5, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 5: SE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the S.R.R.-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Buffalo Wallow LA Com Well No. 1 located in Unit H of Section 21, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

Section 21: E/2

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Sand Springs-Abo Pool. The discovery well is the Manzano Oil Corporation Sanke Eyes State Well No. 1 located in Unit I of Section 6, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 6: SE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Triste Draw-Morrow Gas Pool. The discovery well is the Cobra Oil & Gas Corporation State 19 Well No. 1 located in Unit G of Section 19, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 19: N/2

- (l) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Seven Rivers production and designated as the Warren-Seven Rivers Gas Pool. The discovery well is the Conoco Inc. Warren Unit Well No. 127 located in Unit P of Section 28, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 28: SE/4

- (m) CONTRACT the Rhodes-Yates-Seven Rivers Pool in Lea County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 26: NE/4

- (n) EXTEND the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 6: NE/4

Section 23: NW/4

Section 26: NE/4

- (o) CONTRACT the vertical limits of the Shoe Bar-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco, Canyon, and Strawn formations and redesignate the pool as the Shoe Bar-Upper Pennsylvanian Pool.

- (p) EXTEND the South Bluitt-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 25: SW/4

Section 26: SE/4

*Examiner Hearing - December 3, 1998*  
*Docket No. 33-98*  
*Page 8 of 9*

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(mm)EXTEND the Querecho Plains-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 3: W/2

Section 4: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

Section 24: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 23: NE/4

Section 24: W/2

Section 25: NE/4

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 30: NW/4

(pp)EXTEND the Shoe Bar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: N/2

Section 27: N/2

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 10: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 20: SW/4

(tt)EXTEND the Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 7: W/2 E/2

(uu)EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 11: NE/4

Section 12: NW/4

(vv)EXTEND the Townsend-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein :

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 29: NW/4

Section 30: N/2

(ww)EXTEND the East Triste Draw-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 19: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Northwest Hare-San Andres Pool. The discovery well is the Conoco Inc. Deck Estate 7 Well No. 1 located in Unit L of Section 7, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Hume-San Andres Pool. The discovery well is the Santa Fe Energy Resources, Inc. Humble Hume 5 State Well No. 1 located in Unit W of Section 5, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 5: SE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the S.R.R.-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Buffalo Wallow LA Com Well No. 1 located in Unit H of Section 21, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

Section 21: E/2

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Sand Springs-Abo Pool. The discovery well is the Manzano Oil Corporation Sanke Eyes State Well No. 1 located in Unit I of Section 6, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 6: SE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Triste Draw-Morrow Gas Pool. The discovery well is the Cobra Oil & Gas Corporation State 19 Well No. 1 located in Unit G of Section 19, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 19: N/2

- (l) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Seven Rivers production and designated as the Warren-Seven Rivers Gas Pool. The discovery well is the Conoco Inc. Warren Unit Well No. 127 located in Unit P of Section 28, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 28: SE/4

- (m) CONTRACT the Rhodes-Yates-Seven Rivers Pool in Lea County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 26: NE/4

- (n) EXTEND the Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 6: NE/4

Section 23: NW/4

Section 26: NE/4

- (o) CONTRACT the vertical limits of the Shoe Bar-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco, Canyon, and Strawn formations and redesignate the pool as the Shoe Bar-Upper Pennsylvanian Pool.

- (p) EXTEND the South Bluit-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 25: SW/4

Section 26: SE/4

- (q) EXTEND the North Bluit-Siluro Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM

Section 27: NE/4

- (r) EXTEND the South Cass-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 24: E/2

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 10: W/2

- (u) EXTEND the Featherstone-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 16: S/2 and NW/4

Section 17: NE/4

- (v) EXTEND the South Flying "M"-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

Section 14: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 28: W/2

- (x) EXTEND the Hare-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 16: S/2

- (y) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 1: Lots 3, 4, 5, 6, 11, 12, 13, and 14

Section 14: W/2

- (z) EXTEND the West LaRica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 29: SW/4

Section 32: W/2

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

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 1: Lots 9, 10, 15, and 16

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 6: Lots 2 and 7

- (bb) EXTEND the Maljamar-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 15: NW/4



(cc)EXTEND the West Midway-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 22: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
Section 1: SW/4  
Section 12: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 16: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 2: W/2  
Section 3: SE/4  
Section 5: SE/4  
Section 8: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 6: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 22: SE/4

(ii)EXTEND the Paduca-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM  
Section 9: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 6: SE/4  
Section 7: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 28: SW/4  
Section 29: SE/4  
Section 33: N/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 1: SW/4  
Section 12: W/2

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 5: S/2

(mm)EXTEND the Querecho Plains-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 3: W/2

Section 4: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

Section 24: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 23: NE/4

Section 24: W/2

Section 25: NE/4

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 30: NW/4

(pp)EXTEND the Shoe Bar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: N/2

Section 27: N/2

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 10: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 20: SW/4

(tt)EXTEND the Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 7: W/2 E/2

(uu)EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 11: NE/4

Section 12: NW/4

(vv)EXTEND the Townsend-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 29: NW/4

Section 30: N/2

(ww)EXTEND the East Triste Draw-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 19: N/2

(xx)EXTEND the Triste Draw-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 34: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 6: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 8: NE/4

Section 9: NW/4

(aaa)EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 17: SW/4

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