<u>CASE 12703</u>: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Lea Counties, New Mexico.

(a) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Morrow production and designated as the Northwest Anderson Ranch-Morrow Gas Pool. The discovery well is the Texaco Exploration and Production, Inc. Dulce 36 State Com Well No. 1 located in Unit F of Section 36, Township 15 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM

Section 36: W/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Eight Mile Draw-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation East Sand Springs Unit Well No. 2 located in Unit N of Section 24, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 24: S/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Four Lakes-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Indigo State Unit Well No. 1 located in Unit A of Section 7, Township 12 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Hagood-Wolfcamp Pool. The discovery well is the Roden Oil Company Miro 35 Federal Well No. 1 located in Unit D of Section 35, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM

Section 35: N/2 NW/4 and Lots 3 and 4

(e) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Abo production and designated as the Hardy-Abo Pool. The discovery well is the Conoco Inc. Oxy State F-l Well No. 1 located in Unit X of Section 1, Township 21 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 1: SE/4

(f) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Blinebry production and designated as the Lovington-Blinebry Pool. The discovery well is the Texaco Exploration & Production, Inc. Caylor 6 Well No. 1 located in Unit K of Section 6, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 6: SW/4

CREATE a new pool in Lea County, New Mexico classified as an oil pool for Drinkard (g) production and designated as the Monument-Drinkard Pool. The discovery well is the Matador Operating Company Cooper 5 Well No. 6 located in Unit G of Section 5, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 5: NE/4

(h) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production and designated as the Southeast San Simon-Strawn Gas Pool. The discovery well is the Nearburg Producing Company Antler 17 State Well No. 1 located in Unit D of Section 17, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 17: N/2

CREATE a new pool in Lea County, New Mexico classified as an oil pool for Delaware production and designated as the Southeast Scharb-Delaware Pool. The discovery well is the Louis Dreyfus Natural Gas Toro 22 Well No. 1 located in Unit E of Section 22, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 22: NW/4

CREATE a new pool in Lea County, New Mexico classified as a gas pool for Queen production and designated as the East Scharb-Queen Gas Pool. The discovery well is the TMBR/SHARP Drilling Inc. Iron House State Well No. 1 located in Unit H of Section 1, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 1: NE/4

(k) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the X-4 Ranch-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Taco AUK State Well No. 2 located in Unit A of Section 10, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 9: N/2 and SW/4Section 10: N/2 and SE/4

(1) EXTEND the Northwest Antelope Ridge-Bone Spring Pool in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 9: N/2

(m) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 16: E/2 Section 18: N/2

(n) EXTEND the South Corbin-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 21: W/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: NW/4

(p) EXTEND the DK-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 24: SE/4

(q) EXTEND the North Eidson-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 6: SE/4

(r) EXTEND the EK-Delaware Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 30: N/2

(s) EXTEND the EK-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 29: NW/4

(t) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 9: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 14: SE/4

Section 23: NE/4

(v) EXTEND the North Hardy-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: SE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 30: NW/4

(w) EXTEND the Langlie Mattix-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 11: SW/4

(x) EXTEND the Lovington-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 6: SW/4

(y) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 31: S/2 and NE/4

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

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 13: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 4: S/2

Section 9: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 32: All

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 18: NW/4

(dd) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 1: Lots 9, 10, 11, 12, 13, 14, 15 and 16

Section 2: Lots 1, 2, 7, 8, 9, 10, 15 and 16

(ee) EXTEND the Penrose Skelly-Grayburg Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 3: Lots 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15,

16 and S/2

Section 4: Lots 1, 2, 7, 8, 9, 10, 15, 16 and SE/4

Section 9: E/2 Section 10: NW/4 Section 15: SE/4

Section 16: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 5: N/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 36: SW/4

(hh) EXTEND the East Red Tank-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 22: NE/4 Section 23: N/2

(ii) EXTEND the Southeast Scharb-Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 22: SW/4

(jj) EXTEND the South Skaggs-Abo Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 25: W/2 Section 35: NE/4

Section 36: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 4: S/2 SE/4 and SE/4 SW/4

Section 9: N/2 NE/4

(II) EXTEND the Tonto-Seven Rivers Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 13: SE/4 Section 15: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 9: NE/4

(nn) EXTEND the Triste Draw-Delaware Pool in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 34: NW/4

(00) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 25: NE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 30: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 20: SE/4

(qq) EXTEND the North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 10: S/2

(rr) EXTEND the Northeast Vacuum-Blinebry Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 13: E/2 Section 14: SE/4 Section 23: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 8: SW/4 Section 17: NW/4 Section 18: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 5: NW/4
Section 6: NE/4

(tt) EXTEND the East Warren-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: SE/4 Section 26: NE/4

(uu) EXTEND the Wilson-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 11: S/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 7: NE/4

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