

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. 12895
Order No. R-11800

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, CONTRACTING,
AND 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 July 11, 2002, at Aztec, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of July, 2002, 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 creation of a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation, bearing the designation of Revelation-Atoka Gas Pool (**Pool Code 97205**). The Revelation-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Whopper "AZD" State Well No. 2 located in Unit M of Section 2, Township 22 South, Range 25 East, NMPM, which was completed in the Atoka formation on April 3, 2002. The top of the perforations is at 10,088 feet.

(3) There is need for the contraction of the Foster Draw-Delaware Gas Pool in Eddy County, New Mexico in order to correct nomenclature. The deleted acreage will be placed in the Foster Draw-Delaware Pool.

(4) There is need for extensions to the Artesia-Queen-Grayburg-San Andres Pool, the Burton Flat-Strawn Gas Pool, the South Carlsbad-Morrow Gas Pool, the South Carlsbad-Strawn Gas Pool, the Cemetery-Wolfcamp Gas Pool, the South Empire-Wolfcamp Pool, the Foster Draw-Delaware Pool, the Frontier Hills-Upper Pennsylvanian Gas Pool, the North Grayburg-Atoka Gas Pool, the North Hackberry-Morrow Gas Pool, the Happy Valley-Morrow Gas Pool, the West Parkway-Atoka Gas Pool, the Revelation-Morrow Gas Pool, the North Shugart-Bone Spring Pool, and the Shugart-Morrow Gas Pool, all in Eddy County, New Mexico; and the Foor Ranch-Pre-Permian Gas Pool, the Foor Ranch-Wolfcamp Gas Pool, and the Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the Revelation-Atoka Gas Pool (**Pool Code 97205**), consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 2: S/2

(b) The Artesia-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 32: NW/4

(c) The Burton Flat-Strawn Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 2: SW/4

(d) The South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: W/2

(e) The South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 24: N/2 and SE/4
Section 36: W/2

(f) The Cemetery-Wolfcamp Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 31: NE/4

Section 32: N/2

(g) The South Empire-Wolfcamp Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: NW/4 and W/2 NE/4

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

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 3: N/2

(i) The Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 2: NW/4

Section 3: N/2

(j) The Foster Draw-Delaware Gas Pool in Eddy County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 1: Lots 25, 26, 31, 32, 33, 34, 39 and 40

(k) The Foster Draw-Delaware Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 1: Lots 25 through 40

(l) The Frontier Hills-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 10: W/2

(m) The North Grayburg-Atoka Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 10: E/2

Section 15: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 36: NE/4

(o) The Happy Valley-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 6: S/2

(p) The West Parkway-Atoka Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 20: E/2

(q) The Pecos Slope-Abo Gas Pool in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 34: N/2

(r) The Revelation-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM

Section 9: W/2

(s) The North Shugart-Bone Spring Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 24: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

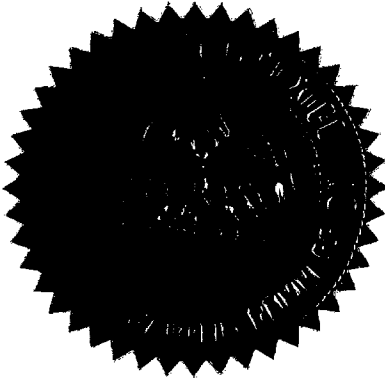
Section 25: N/2

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 creations, contractions, and extensions included herein shall be August 1, 2002.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director