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abandoning said well or securing Division approval for temporary abandonment thereof.

CASE 12896: Application of the New Mexico Oil Conservation Division for an Order Requiring Xeric Oil & Gas Corporation to Bring One Hundred Twenty-Five (125) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Eddy Counties, New Mexico. The Applicant seeks an order requiring Xeric Oil & Gas Corporation to bring 125 inactive wells located in Lea, Roosevelt and Eddy Counties, New Mexico into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof, and seeks civil penalties. The affected wells are the following:

In Lea County, New Mexico:

API #	WELL NAME AND NUMBER	DISTRICT	COUNTY	TYPE	LAST PRODUCTION/ INJECTION	ULSTR
30-025-03189	East Pearl Queen Unit #001	Hobbs	Lea	I	1-97 12-1992	B-22-19S-35E
30-025-03186	East Pearl Queen Unit #004	Hobbs	Lea	O	1-97 12-1992	E-22-19S-35E
30-025-03179	East Pearl Queen Unit #006	Hobbs	Lea	O	1-97 12-1992	G-22-19S-35E
30-025-03183	East Pearl Queen Unit #007	Hobbs	Lea	I	1-97 11-1990	J-22-19S-35E
30-025-03182	East Pearl Queen Unit #008	Hobbs	Lea	O	1-97 04-1990	K-22-19S-35E
30-025-03185	East Pearl Queen Unit #009	Hobbs	Lea	I	1-97 12-1992	L-22-19S-35E
30-025-03175	East Pearl Queen Unit #011	Hobbs	Lea	I	1-97 12-1992	N-21-19S-35E
30-025-03174	East Pearl Queen Unit #012	Hobbs	Lea	O	1-97 12-1992	O-21-19S-35E
30-025-03184	East Pearl Queen Unit #014	Hobbs	Lea	O	1-97 12-1989	M-22-19S-35E
30-025-03181	East Pearl Queen Unit #015	Hobbs	Lea	I	1-97 12-1992	N-22-19S-35E
30-025-03180	East Pearl Queen Unit #016	Hobbs	Lea	O	1-97 07-1986	O-22-19S-35E
30-025-03188	East Pearl Queen Unit #017	Hobbs	Lea	I	1-97 12-1992	P-22-19S-35E
30-025-03216	East Pearl Queen Unit #018	Hobbs	Lea	I	1-97 12-1992	B-27-19S-35E
30-025-03217	East Pearl Queen Unit #020	Hobbs	Lea	I	1-97 08-1996	D-27-19S-35E
30-025-03237	East Pearl Queen Unit #021	Hobbs	Lea	O	1-97 12-1992	A-28-19S-35E
30-025-03235	East Pearl Queen Unit #022	Hobbs	Lea	I	1-97 12-1992	B-28-19S-35E
30-025-03236	East Pearl Queen Unit #023	Hobbs	Lea	I	1-97 12-1992	G-28-19S-35E
30-025-03238	East Pearl Queen Unit #024	Hobbs	Lea	I	1-97 12-1992	H-28-19S-35E
30-025-03222	East Pearl Queen Unit #026	Hobbs	Lea	I	1-97 05-1990	F-27-19S-35E
30-025-03215	East Pearl Queen Unit #028	Hobbs	Lea	I	1-97 12-1992	H-27-19S-35E
30-025-03213	East Pearl Queen Unit #030	Hobbs	Lea	O	1-97 12-1989	I-27-19S-35E
30-025-03220	East Pearl Queen Unit #032	Hobbs	Lea	I	1-97 11-1992	K-27-19S-35E
30-025-03219	East Pearl Queen Unit #037	Hobbs	Lea	O	1-97 12-1992	O-27-19S-35E
30-025-03295	East Pearl Queen Unit #039	Hobbs	Lea	O	1-97 04-1990	A-34-19S-35E
30-025-03299	East Pearl Queen Unit #041	Hobbs	Lea	I	1-97 07-1994	C-34-19S-35E
30-025-03298	East Pearl Queen Unit #042	Hobbs	Lea	I	1-97 02-1994	D-34-19S-35E
30-025-03301	East Pearl Queen Unit #043	Hobbs	Lea	I	1-97 01-1993	E-34-19S-35E
30-025-03300	East Pearl Queen Unit #044	Hobbs	Lea	I	1-97 12-1992	F-34-19S-35E
30-025-03296	East Pearl Queen Unit #045	Hobbs	Lea	O	1-97 07-1973	G-34-19S-35E
30-025-03302	East Pearl Queen Unit #046	Hobbs	Lea	I	1-97 12-1992	H-34-19S-35E
30-025-03303	East Pearl Queen Unit #049	Hobbs	Lea	I	1-97 12-1992	J-34-19S-35E

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developed on 320-acre spacing within that vertical extent, including the Southeast Crow Flats-Morrow Gas Pool; and the NW/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 that vertical extent. Applicant requests that the pooling of the units be made effective as of the date of first production from its Hiawatha Fed. Com. Well No. 1 drilled and completed at an orthodox location in the SW/4 NW/4 of Section 10. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well. The units are located approximately 13½ miles east-northeast of Artesia, New Mexico.

CASE 12881: Continued from June 27, 2002, Examiner Hearing.

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted overriding royalty owners with respect to production from the surface to the base of the Morrow formation underlying the following described acreage in Section 10, Township 17 South, Range 28 East: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Southeast Crow Flats-Morrow Gas Pool; and the SW/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 that vertical extent. Applicant requests that the pooling of the units be made effective as of the date of first production from its Coal Train Fed. Com. Well No. 1 drilled and completed at an orthodox location in the SW/4 SW/4 of Section 10. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well. The units are located approximately 13½ miles east-northeast of Artesia, New Mexico.

CASE 12905: **Application of Pronghorn Management Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico.** Applicant seeks approval to utilize its State "T" Well No. 2 (API No. 30-025-03735) located 4290 feet from the South line and 500 feet from the West line, (Unit L) Section 6, Township 16 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 6000 feet to 6400 feet. This well is located approximately 2 miles west of Lovington, New Mexico.

CASE 12866: Continued from June 27, 2002, Examiner Hearing.

Application of C. W. Trainer for approval of a salt water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its State GA Well No. 6 (API No. 30-025-03687) located 660 feet from the North line and 990 feet from the West line (Unit D) of Section 16, Township 15 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 4749 feet to 6230 feet. This well is located approximately 3 miles northeast of Lea County, New Mexico.

CASE 12906: **Application of the New Mexico Oil Conservation Division for an Order Requiring George A. Chase, Jr. to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Eddy County, New Mexico.** The Applicant seeks an order requiring George A. Chase, Jr. to bring his Superior Federal Well No. 1 (API No. 30-015-10751), located 2310 feet from the North line and 1980 feet from the West line of Section 20, Township 16 South, Range 31 East, in Eddy County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

CASE 12907: **Application of the New Mexico Oil Conservation Division for an Order Requiring McKay Oil Corporation to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Chaves County, New Mexico.** The Applicant seeks an order requiring McKay Oil Corporation to bring its West Fork Federal Unit Well No. 4 (API No. 30-005-6281), located 1650 feet from the South and West lines of Section 32, Township 4 South, Range 22 East, in Chaves County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and

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<u>API#</u>	<u>WELL NAME AND NUMBER</u>	<u>DISTRICT</u>	<u>COUNTY</u>	<u>TYPE</u>	<u>LAST PRODUCTION/ INJECTION</u>	<u>ULSTR</u>
30-025-03292	East Pearl Queen Unit #051	Hobbs	Lea	I 1-97	12-1992	L-34-19S-35E
30-025-03294	East Pearl Queen Unit #052	Hobbs	Lea	O 1-97	12-1989	M-34-19S-35E
30-025-03293	East Pearl Queen Unit #053	Hobbs	Lea	I 1-97	12-1992	N-34-19S-35E
30-025-23302	East Pearl Queen Unit #056	Hobbs	Lea	O 1-97	12-1992	F-34-19S-35E
30-025-23409	East Pearl Queen Unit #057	Hobbs	Lea	O 1-97	12-1992	K-34-19S-35E
30-025-23427	East Pearl Queen Unit #059	Hobbs	Lea	O 1-97	12-1992	H-27-19S-35E
30-025-31106	East Pearl Queen Unit #077	Hobbs	Lea	O 1-97	12-1993	I-28-19S-35E
30-025-31121	East Pearl Queen Unit #082	Hobbs	Lea	O 1-97	01-1993	K-27-19S-35E
30-025-11865	Gregory C #001	Hobbs	Lea	O 1-97	12-1992	C-33-25S-37E
30-025-29203	Jordan B #002	Hobbs	Lea	O 1-97	05-1992	G-11-20S-35E
30-025-20449	Mesa Queen Unit #002	Hobbs	Lea	I 1-97	12-1992	B-16-16S-32E
30-025-20327	Mesa Queen Unit #005	Hobbs	Lea	I 1-97	12-1992	H-17-16S-32E
30-025-20321	Mesa Queen Unit #009	Hobbs	Lea	I 1-97	07-1993	H-16-16S-32E
30-025-20230	Mesa Queen Unit #011	Hobbs	Lea	I 1-97	12-1992	K-17-16S-32E
30-025-20214	Mesa Queen Unit #012	Hobbs	Lea	O 1-97	05-1986	J-17-16S-32E
30-025-20123	Mesa Queen Unit #014	Hobbs	Lea	I 1-97	NONE	L-16-16S-32E
30-025-20585	Mesa Queen Unit #016	Hobbs	Lea	I 1-97	12-1992	J-16-16S-32E
30-025-20556	Mesa Queen Unit #017	Hobbs	Lea	O 1-97	07-1991	M-17-16S-32E
30-025-20564	Mesa Queen Unit #019	Hobbs	Lea	O 1-97	05-1986	O-17-16S-32E
30-025-20269	Mesa Queen Unit #020	Hobbs	Lea	I 1-97	12-1992	P-17-16S-32E
30-025-20255	Mesa Queen Unit #021	Hobbs	Lea	O 1-97	12-1977	M-16-16S-32E
30-025-20439	Mesa Queen Unit #022	Hobbs	Lea	O 1-97	08-1974	D-20-16S-32E
30-025-20988	Mesa Queen Unit #023	Hobbs	Lea	O 1-97	10-1986	C-20-16S-32E
30-025-21216	Mesa Queen Unit #024	Hobbs	Lea	O 1-97	11-1983	E-20-16S-32E
30-025-23483	Mesa Queen Unit #025	Hobbs	Lea	I 1-97	07-1988	N-16-16S-32E
30-025-12512	Mexico U #001	Hobbs	Lea	O 1-97	04-1986	B-08-19S-38E
30-025-30954	Mexico U #003	Hobbs	Lea	O 11-98	11-1998	B-08-19S-38E
30-025-03325	South Pearl Queen Unit #011	Hobbs	Lea	I 1-97	12-1992	K-04-20S-35E
30-025-03331	South Pearl Queen Unit #013	Hobbs	Lea	I 1-97	12-1992	P-05-20S-35E
30-025-03324	South Pearl Queen Unit #015	Hobbs	Lea	I 1-97	09-1987	N-04-20S-35E
30-025-03319	South Pearl Queen Unit #019	Hobbs	Lea	I 1-97	04-1986	N-03-20S-35E
30-025-03342	South Pearl Queen Unit #021	Hobbs	Lea	I 1-97	12-1992	D-10-20S-35E
30-025-03340	South Pearl Queen Unit #023	Hobbs	Lea	I 1-97	08-1996	B-09-20S-35E
30-025-03343	South Pearl Queen Unit #024	Hobbs	Lea	O 1-97	03-1988	C-09-20S-35E
30-025-03344	South Pearl Queen Unit #025	Hobbs	Lea	I 1-97	07-1988	D-09-20S-35E
30-025-10589	State Bd 36 #001	Hobbs	Lea	O 1-97	10-1979	J-36-22S-37E
30-025-34134	Union State Ab #002	Hobbs	Lea	O 1-98	NONE	B-30-20S-36E
30-025-03247	West Pearl Queen Unit #103	Hobbs	Lea	O 1-97	12-1979	C-29-19S-35E
30-025-03231	West Pearl Queen Unit #107	Hobbs	Lea	O 1-97	03-1980	C-28-19S-35E
30-025-03254	West Pearl Queen Unit #110	Hobbs	Lea	I 1-97	02-1994	H-29-19S-35E
30-025-03244	West Pearl Queen Unit #112	Hobbs	Lea	I 1-97	12-1992	F-29-19S-35E

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<u>API #</u>	<u>WELL NAME AND NUMBER</u>	<u>DISTRICT</u>	<u>COUNTY</u>	<u>TYPE</u>	<u>LAST PRODUCTION/ INJECTION</u>	<u>ULSTR</u>
30-025-03241	West Pearl Queen Unit #117	Hobbs	Lea	O 1-87	03-1980	K-29-19S-35E
30-025-03248	West Pearl Queen Unit #118	Hobbs	Lea	I 1-87	12-1992	J-29-19S-35E
30-025-03240	West Pearl Queen Unit #119	Hobbs	Lea	I 1-87	04-1994	I-29-19S-35E
30-025-03224	West Pearl Queen Unit #120	Hobbs	Lea	I 1-87	06-1995	L-28-19S-35E
30-025-03225	West Pearl Queen Unit #121	Hobbs	Lea	I 1-87	06-1995	K-28-19S-35E
30-025-03228	West Pearl Queen Unit #122	Hobbs	Lea	I 1-87	12-1992	J-28-19S-35E
30-025-03229	West Pearl Queen Unit #124	Hobbs	Lea	I 1-87	06-1992	O-28-19S-35E
30-025-03242	West Pearl Queen Unit #127	Hobbs	Lea	I 1-87	06-1995	P-29-19S-35E
30-025-03243	West Pearl Queen Unit #129	Hobbs	Lea	I 1-87	12-1994	N-29-19S-35E
30-025-03250	West Pearl Queen Unit #130	Hobbs	Lea	O 1-87	03-1991	M-29-19S-35E
30-025-03262	West Pearl Queen Unit #134	Hobbs	Lea	I 1-87	12-1992	B-31-19S-35E
30-025-03273	West Pearl Queen Unit #137	Hobbs	Lea	O 1-87	06-1990	C-32-19S-35E
30-025-03283	West Pearl Queen Unit #140	Hobbs	Lea	I 1-87	12-1992	D-33-19S-35E
30-025-03285	West Pearl Queen Unit #142	Hobbs	Lea	I 1-87	08-1996	B-33-19S-35E
30-025-03286	West Pearl Queen Unit #143	Hobbs	Lea	I 1-87	08-1996	A-33-19S-35E
30-025-03288	West Pearl Queen Unit #146	Hobbs	Lea	I 1-97	06-1995	F-33-19S-35E
30-025-03264	West Pearl Queen Unit #152	Hobbs	Lea	I 1-97	12-1992	H-31-19S-35E
30-025-03267	West Pearl Queen Unit #156	Hobbs	Lea	I 1-87	12-1992	J-31-19S-35E
30-025-20114	West Pearl Queen Unit #157	Hobbs	Lea	O 1-87	11-1989	I-31-19S-35E
30-025-03269	West Pearl Queen Unit #159	Hobbs	Lea	O 6-87	12-1989	K-32-19S-35E
30-025-22870	West Pearl Queen Unit #163	Hobbs	Lea	O 1-87	01-1993	D-33-19S-35E
30-025-23083	West Pearl Queen Unit #164	Hobbs	Lea	O 1-87	03-1980	F-32-19S-35E
30-025-23084	West Pearl Queen Unit #165	Hobbs	Lea	O 1-87	12-1979	K-29-19S-35E
30-025-25365	West Pearl Queen Unit #169	Hobbs	Lea	O 1-87	10-1993	N-28-19S-35E
30-025-30861	West Pearl Queen Unit #191	Hobbs	Lea	O 1-87	09-1993	M-28-19S-35E
30-025-30867	West Pearl Queen Unit #192	Hobbs	Lea	O 1-87	01-1994	J-28-19S-35E
30-025-31125	West Pearl Queen Unit #202	Hobbs	Lea	O 1-87	02-1995	B-32-19S-35E
30-025-08551	East Pearl Queen Unit #033	Hobbs	Lea	I 9-99	09-1999	L-27-19S-35E
30-025-11884	Gregory A #005	Hobbs	Lea	G 7-00	07-2000	I-33-25S-37E
30-025-34621	Lisa State #002	Hobbs	Lea	O 5-00	05-2000	B-19-20S-36E
30-025-20209	Mesa Queen Unit #003	Hobbs	Lea	O 10-87	10-1999	A-16-16S-32E
30-025-03316	South Pearl Queen Unit #007	Hobbs	Lea	I 2-87	08-1999	F-03-20S-35E
30-025-30864	West Pearl Queen Unit #194	Hobbs	Lea	O 1-00	11-2000	P-29-19S-35E

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In Roosevelt County, New Mexico:

<u>API #</u>	<u>WELL NAME AND NUMBER</u>	<u>DISTRICT</u>	<u>COUNTY</u>	<u>TYPE</u>	<u>LAST PRODUCTION/ INJECTION</u>	<u>ULSTR</u>
30-041-10201	Horton Federal #008	Hobbs	Roosevelt		1-97 03-1984	K-30-08S-35E
30-041-10105	Horton Federal #009	Hobbs	Roosevelt	I	1-97 03-1996	J-30-08S-35E
30-041-10106	Horton Federal #010	Hobbs	Roosevelt	O	1-97 08-1995	A-30-08S-35E
30-041-10109	Horton Federal #013	Hobbs	Roosevelt	O	1-97 04-1986	O-30-08S-35E
30-041-10203	Horton Federal #018	Hobbs	Roosevelt	O	1-97 08-1995	E-29-08S-35E
30-041-10113	Horton Federal #019	Hobbs	Roosevelt	O	8-97 08-1997	C-31-08S-35E
30-041-10115	Horton Federal #021	Hobbs	Roosevelt	I	1-97 03-1996	L-29-08S-35E
30-041-10120	Horton Federal #026	Hobbs	Roosevelt	I	1-97 03-1996	B-29-08S-35E
30-041-10123	Horton Federal #029	Hobbs	Roosevelt	I	1-97 03-1996	H-29-08S-35E
30-041-10130	Horton Federal #030	Hobbs	Roosevelt	O	1-97 06-1994	K-29-08S-35E
30-041-20756	Horton Federal #032	Hobbs	Roosevelt	I	NONE	H-30-08S-35E
30-041-20757	Horton Federal #033	Hobbs	Roosevelt	O	1-97 01-1996	G-30-08S-35E
30-041-20753	Horton Federal #035	Hobbs	Roosevelt	O	1-97 01-1996	C-30-08S-35E
30-041-10126	Horton Federal #001	Hobbs	Roosevelt	I	2-00 02-2000	1-30-08S-35E
30-041-10128	Horton Federal #006	Hobbs	Roosevelt	I	2-00 02-2000	3-30-08S-35E
30-041-10114	Horton Federal #020	Hobbs	Roosevelt	I	2-00 02-2000	D-29-08S-35E
30-041-10122	Horton Federal #028	Hobbs	Roosevelt	O	1-00 11-2000	A-29-08S-35E
30-041-20754	Horton Federal #036	Hobbs	Roosevelt	O	1-00 11-2000	B-30-08S-35E

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In Eddy County, New Mexico:

<u>API #</u>	<u>WELL NAME AND NUMBER</u>	<u>DISTRICT</u>	<u>COUNTY</u>	<u>TYPE</u>	<u>LAST PRODUCTION/ INJECTION</u>	<u>ULSTR</u>
30-015-22220	Eddy Gf State #1	Artesia	Eddy	G	12-1997	C-16-23S-27E
30-015-22408	Keohane Et Al B Federal #1	Artesia	Eddy	G	[12-1993] [1-97]	E-28-18S-31E

CASE 12908: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, re-designating, and extending the vertical and horizontal limits of certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Southwest Austin-Morrow Gas Pool (Pool Code 96664). The discovery well is the Yates Petroleum Corporation Morton Unit Well No. 1 (API No. 30-025-33314) located in Unit B of Section 5,

Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 4: S/2
Section 5: N/2 and SE/4
Section 9: NE/4
Section 10: N/2

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the North Bagley-San Andres Pool (**Pool Code 97159**). The discovery well is the Weststar Exploration Company TP State A Well No. 2 (**API No. 30-025-22013**) located in Unit O of Section 10, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

Section 10: SE/4

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Austin production and designated as the East Cerca-Austin Gas Pool (**Pool Code 97198**). The discovery well is the Yates Petroleum Corporation Chad AXA State Well No. 2 (**API No. 30-025-35656**) located in Unit P of Section 36, Township 13 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM

Section 36: E/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the East Echol-San Andres Pool (**Pool Code 97182**). The discovery well is the Concho Oil and Gas Corporation Sundown State Well No. 2 (**API No. 30-025-35597**) located in Unit M of Section 14, Township 10 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM

Section 14: SW/4

(e) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Northwest Eight Mile Draw-Atoka Gas Pool (**Pool Code 97028**). The discovery well is the Yates Petroleum Corporation Blitzen AUB State Well No. 1 (**API No. 30-025-01824**) located in Unit M of Section 16, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 16: S/2

(f) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Blinebry production and designated as the Southwest House-Blinebry Gas Pool (**Pool Code 97195**). The discovery well is the Capataz Operating Inc. Red Tag Well No. 2 (**API No. 30-025-35630**) located in Unit K of Section 2, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 2: SW/4

(g) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Cisco and Canyon production and designated as the West Maljamar-Cisco-Canyon Pool (**Pool Code 97160**). The discovery well