

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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County LeaPool South Corbin-WolfcampTOWNSHIP 18 South, RANGE 32 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

EXT: $\frac{5}{2}$ SEC. 13 (R-8696, 7/22/88) EXT: $\frac{SE}{4}$ SEC. 24 (R-9345, 11-7-90)EXT: $\frac{NE}{4}$ SEC. 24 (R-9585, 9-30-91)

(ALSTON RANCH-UPPER PENNSYLVANIAN POOL -
Cont'd.)

RULE 3. The Director of the Division may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well drilled in the Alston Ranch-Upper Pennsylvanian Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. The Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Alston Ranch-Upper Pennsylvanian Pool shall be assigned an 80-acre depth bracket allowable of 400 barrels for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Alston Ranch-Upper Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED THAT:

(4) The locations of all wells, with the exception of said Elkan "A" Well No. 1, presently drilling to or completed in the Alston Ranch-Upper Pennsylvanian Pool or in any formation from the base of the Wolfcamp formation to the top of the Canyon formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian Pool, are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before July 1, 1986.

(5) Pursuant to Paragraph A. of Section 70-2-18, NMSA 1978, existing wells in the Alston Ranch-Upper Pennsylvanian Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Alston Ranch-Upper Pennsylvanian Pool or in its corresponding vertical limits as described in Ordering Paragraph No. (1), above, or within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(6) This case shall be reopened at an examiner hearing in May 1988, at which time the operators in the subject pool may appear and show cause why the Alston Ranch-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

SOUTH CORBIN-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-8181-B, Adopting Temporary Operating Rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, May 20, 1986.

Application of Southland Royalty Company
for Special Pool Rules, Lea County, New
Mexico.

CASE NO. 8802 DE NOVO
Order No. R-8181-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. at Santa Fe, New Mexico, on April 9, 1986, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(SOUTH CORBIN-WOLFCAMP POOL - Cont'd.)

(2) The applicant, Southland Royalty Company, seeks the promulgation of special pool rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre spacing units.

(3) By Order No. R-3342, effective December 1, 1967, the Commission created the South Corbin-Wolfcamp Pool as a result of the completion of the Aztec Oil and Gas Company Federal "MA" Well No. 2 located in Unit I of Section 21, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

(4) Although the development of said pool has resulted in wells being drilled on what constitutes an 80-acre spacing pattern, it has remained since its creation governed by general statewide 40-acre spacing units.

(5) Geological and engineering evidence presented at the hearing showed that wells in the South Corbin-Wolfcamp Pool may be capable of draining 80-acre spacing units.

(6) Evidence and testimony at the hearing demonstrated that drilling wells in the South Corbin-Wolfcamp Pool on 40-acre spacing is uneconomical at the present time and may result in the drilling of unnecessary wells.

(7) Adoption of temporary special pool rules including provisions for 80-acre spacing would encourage continued drilling of South Corbin-Wolfcamp Pool wells, thereby producing oil which might not otherwise be produced, thereby preventing waste.

(8) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Corbin-Wolfcamp Pool as previously defined and described.

(9) The temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(10) The temporary special rules and regulations should be established for an 18-month period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(11) Unless called earlier, this case should be reopened at an Oil Conservation Division examiner hearing in October, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the South Corbin-Wolfcamp Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED THAT:

(1) Temporary Special Rules and Regulations for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, as previously defined and described, are hereby promulgated as follows:

TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE SOUTH CORBIN-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another designated Wolfcamp oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a nonstandard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators of if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished.

The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be subject to an 80-acre depth bracket allowable of 445 barrels of oil per day. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED THAT:

(1) The locations of all wells presently drilling to or completed in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before July 1, 1986.

(2) Pursuant to Paragraph A. of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the South Corbin-Wolfcamp Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Corbin-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(SOUTH CORBIN-WOLFCAMP POOL - Cont'd.)

(3) Unless called earlier upon the motion of the Division, the case shall be reopened at an examiner hearing in October, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the South Corbin-Wolfcamp Pool should not be developed on 40-acre spacing units.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

NORTHEAST OJITO GALLUP-DAKOTA POOL
Rio Arriba County, New Mexico

Order No. R-8188-A, Creating and Adopting Temporary Operating Rules for the Northeast Ojito Gallup-Dakota Pool, Rio Arriba County, New Mexico, June 1, 1986, as Amended by Order No. R-8188-B, December 1, 1987.

Application of Amoco Production Company
for Pool Creation and Special Pool Rules, Rio
Arriba County, New Mexico.

CASE NO. 8822 De Novo
Order No. R-8188-A

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 20, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of June, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Amoco Production Company, seeks an order deleting a portion of the Ojito Gallup-Dakota Oil Pool and creating the Northeast Ojito Gallup-Dakota Oil Pool with special pool rules including a provision for 160-acre spacing, Rio Arriba County, New Mexico.

(3) Notice was given to all interested parties to appear and participate in the hearing.

(4) Of those parties notified, Minel Inc. and Union Texas Petroleum Corporation appeared in opposition to the applicant.

(5) The applicant presented geologic and engineering evidence to demonstrate that the Gallup formation in the proposed new pool area was in fact in the same common source of supply with the Ojito Gallup-Dakota Oil Pool, but has producing characteristics sufficiently different to require the creation of such new pool.

(6) Certain of the Amoco wells in the proposed new pool area have high initial potential rates and sustained high production over a six (6) month period that indicate that the production of those wells is enhanced by natural fracturing.

(7) At the conclusion of the applicant's presentation and prior to the opponent's presentation, the parties to the hearing entered into an agreement acceptable to the Commission concerning this case.

(8) By agreement of the parties to the hearing, and in order to obtain additional data and to preserve the status quo during the temporary period, the creation of a special pool with 160-acre spacing on a temporary basis of 24 months protects the correlative rights of the interest owners involved.

(9) Applicant's evidence and testimony at the hearing demonstrated that drilling wells in the proposed Northeast Ojito Gallup-Dakota Oil Pool on 40-acre spacing is uneconomical at the present time and may result in the drilling of unnecessary wells.

(10) Applicant's engineering evidence presented at the hearing tended to demonstrate that certain wells in the proposed Northeast Ojito Gallup-Dakota Oil Pool are capable of effectively and efficiently draining 160-acre spacing units. However, such evidence is not conclusive and the development of appropriate spacing for this pool will require further study and development of factual and technical data.

(11) Adoption of temporary special pool rules including provisions for 160-acre spacing would encourage continued drilling in said proposed pool, thereby producing oil which might not otherwise be produced, thereby preventing waste.

(12) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 160-acre spacing units should be promulgated for the proposed Northeast Ojito Gallup-Dakota Oil Pool.

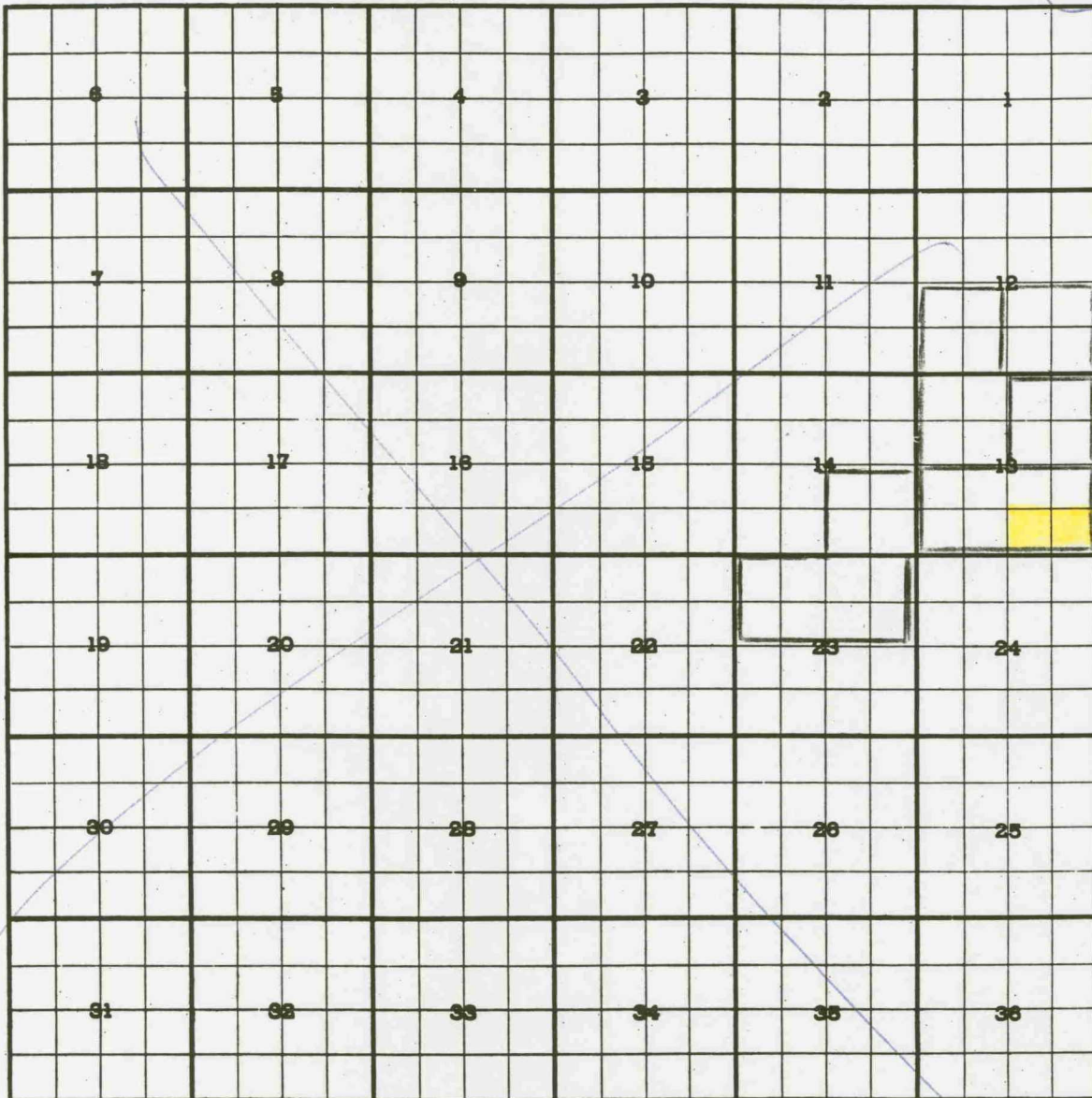
(13) The temporary special rules should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(14) The temporary special rules should be established for a 24-month period in order to allow the operators in the subject pool to gather reservoir information to establish whether the temporary rules should be made permanent.

(15) This case should be reopened at an Oil Conservation Division examiner hearing in June, 1988, at which time the operators in the subject pool should be prepared to appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on 40-acre spacing units.

County LEAPool WEST CORBIN-DELAWARETOWNSHIP 18 South, RANGE 32 East, NEW MEXICO PRINCIPAL MERIDIAN

40

EXT: S/2 SEC 13 (R-8826, 12-22-88) EXT: NE/4 SEC 13 (R-9144, 5-1-90)EXT: SW/4 SEC 12, NW/4 SEC 13 (R-9271, 8-28-90) EXT: SE/4 SEC 12 (R-9472, 4-1-91)EXT: SE/4 SEC 14, N/2 SEC 23 (R-9646, 3-11-92)

COUNTY Lea

POOL

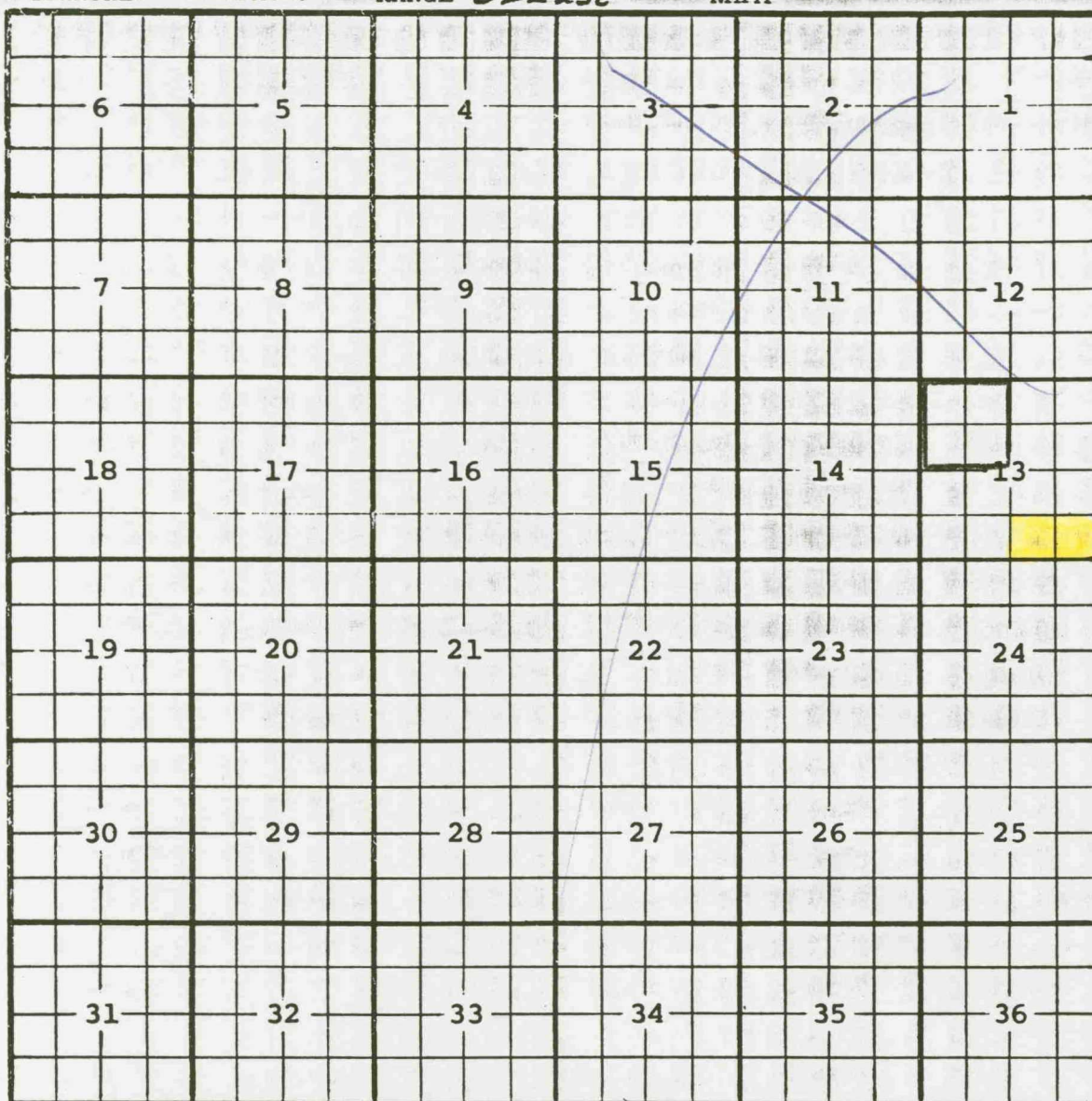
POOL South Maljamar - Yates

40

TOWNSHIP 18 South

RANGE 32 East

NMPM



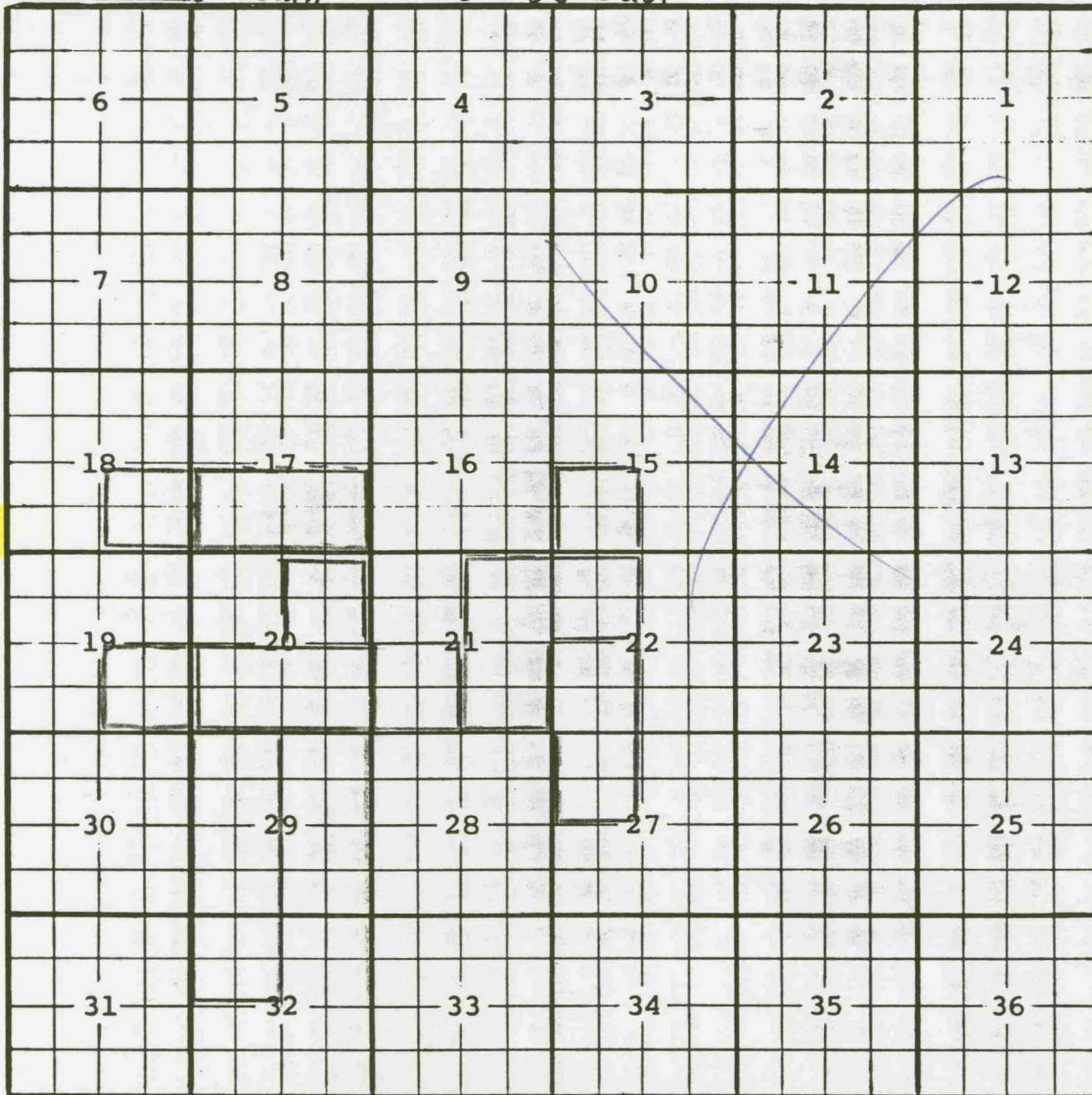
Description: $\frac{NW}{4}$ Sec. 13 (R-1017, 6-28-57)

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

County Lea Pool South Corbin-Bone Springs

40
acre

TOWNSHIP 18 South Range 33 East NMPM



Description: SW/4 Sec. 21 (R-6526, 2-10-81)

Ext: S/2 Sec. 20 (R-8277, 8-14-86)

Ext: E/2 Sec. 21, NW/4 Sec. 22 (R-8340, 11-3-86) EXT: SW/4 SEC 22, NW/4
SEC 27 (R-8826, 12-22-88) EXT: S/2 SEC 17 (R-9095, 1-1-90)

EXT: W/2 SEC 29, NW/4 SEC 32 (R-9144, 5-1-90)

Ext: SE/4 Sec. 18 (R-9271, 8-28-90) EXT: SE/4 SEC 19 (R-9472, 4-1-91)

Ext: SW/4 Sec. 15 (R-9646, 3-11-92)

COUNTY *Lea*

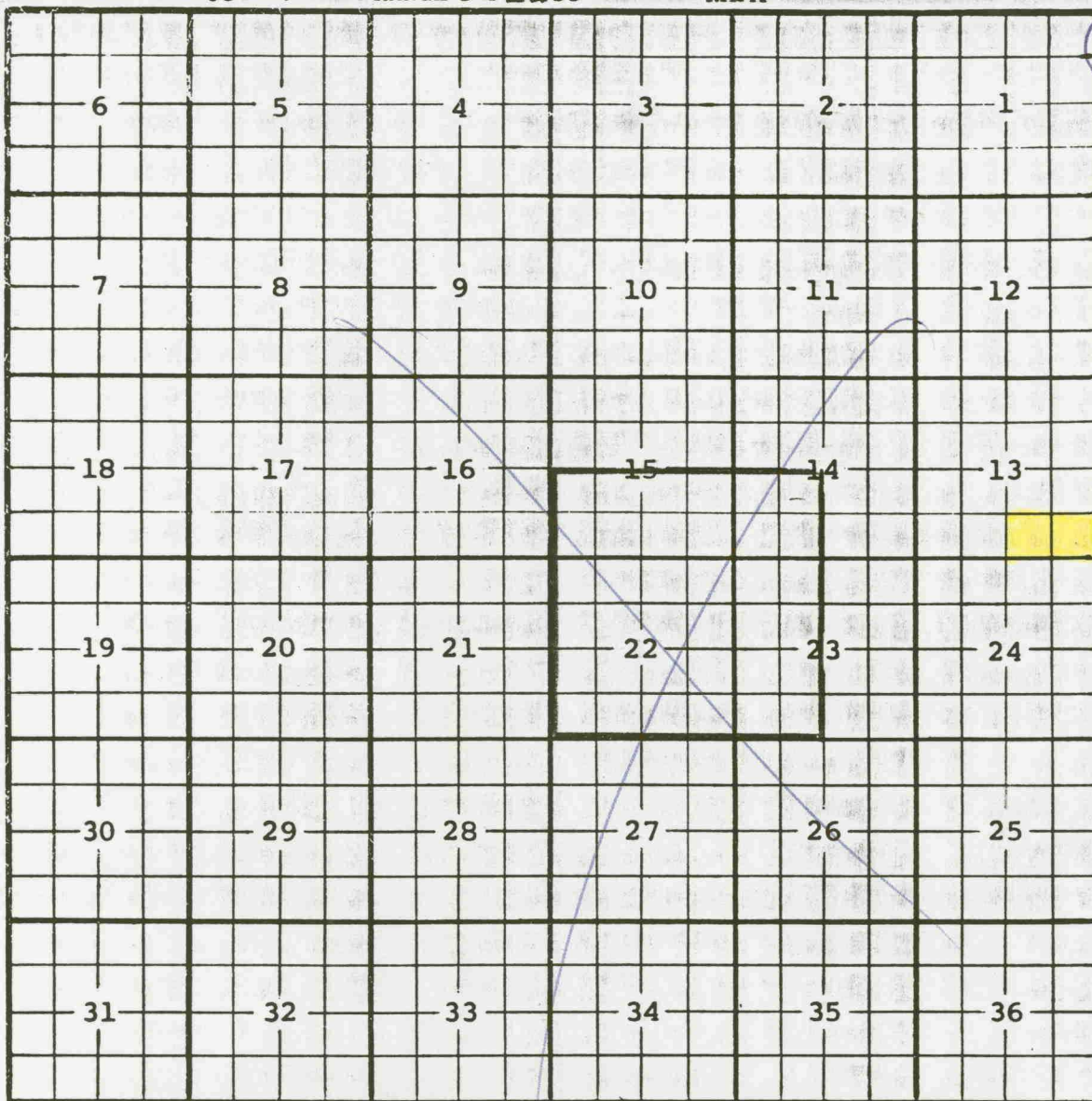
POOL *South Maljamar*

(Grayburg)

TOWNSHIP *18 South*

RANGE *32 East*

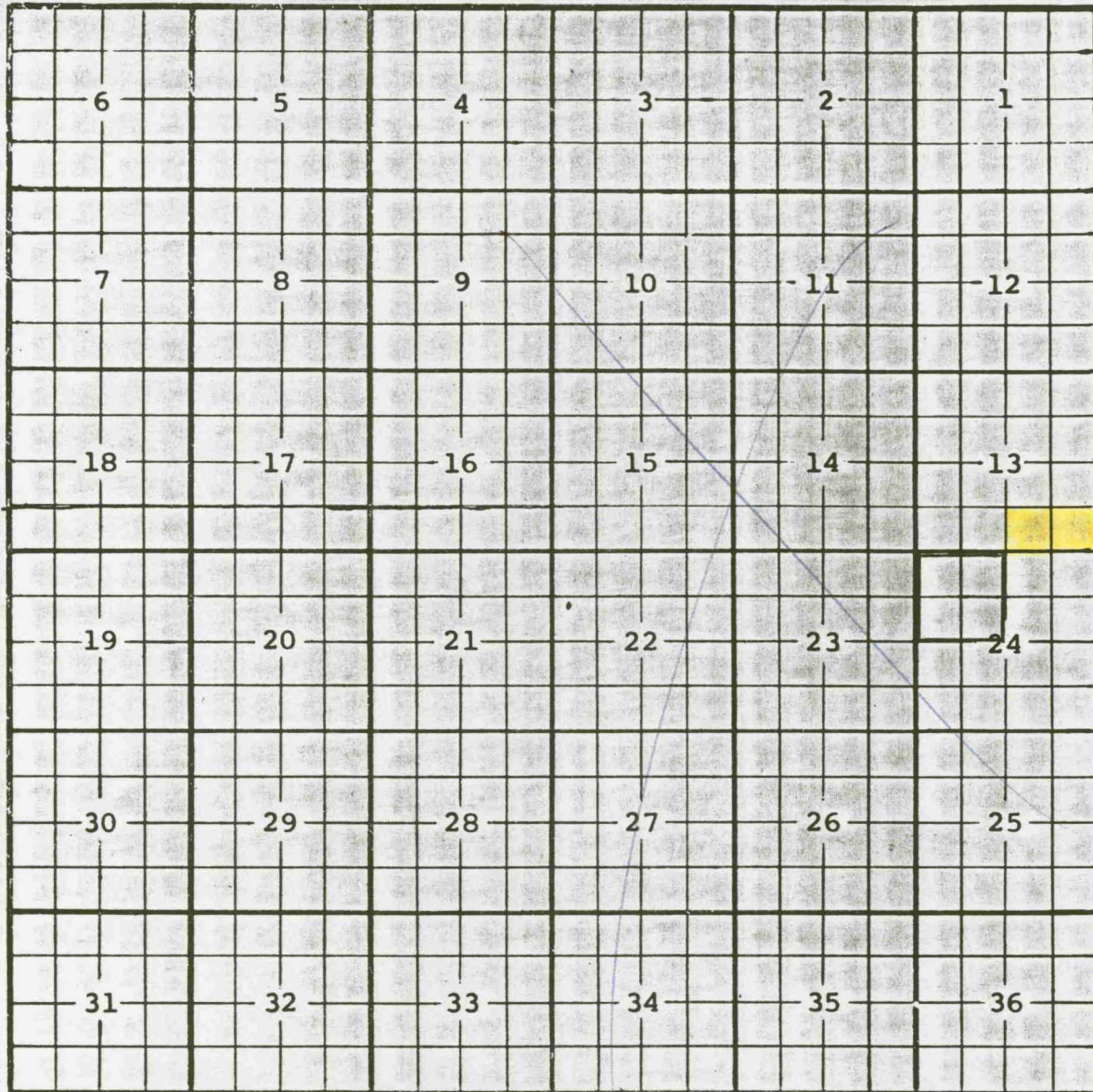
NMPM



Description: $\frac{SW}{4}$ Sec. 14; $\frac{S}{2}$ Sec. 15; All Sec. 22; $\frac{W}{2}$ Sec. 23 (850, 1-1-50)

COUNTY *Lea*POOL *Shinnery - Queen*TOWNSHIP *18 South*RANGE *32 East*

NMPM

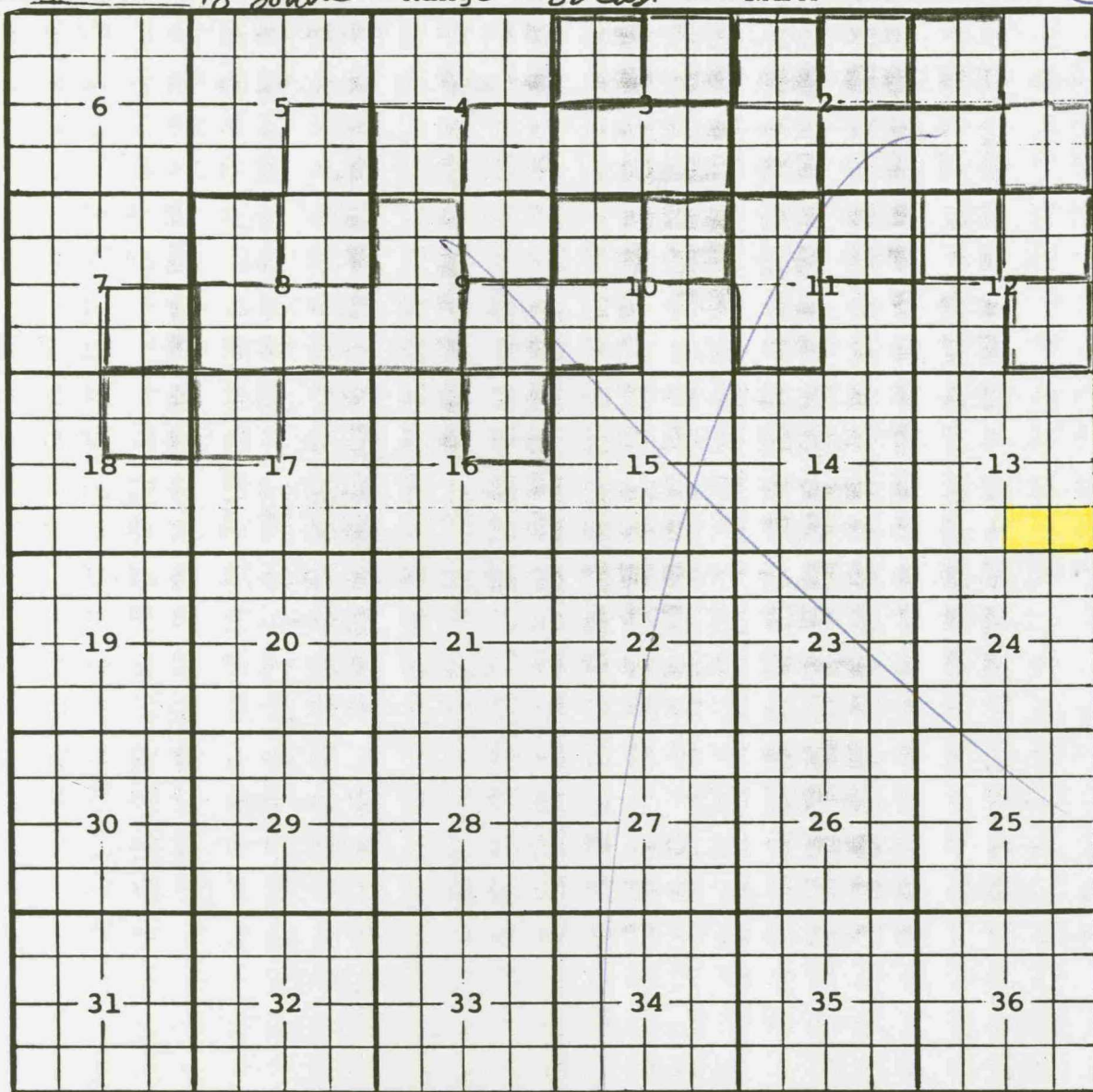


Description: $\frac{NW}{4}$ Sec. 24 (R-4566, 7-1-73)

County LEA Pool NORTH YOUNG - BONE SPRING

TOWNSHIP 18 South Range 32 East NMPM

40



Description: NW/4 Sec. 10 (R-6536, 12-1-80)
Ext. NE/4 sec 10 (R-6724, 7-16-81) Ext: 1/2 sec 3 (R-6758, 8-26-81)
EXT: 1/2 sec 8, 1/2 sec 9 (R-6923, 3-9-82) EXT: NE/4 sec 9 (R-6838, 11-8-81) EXT: SE/4 sec 4, 1/2 sec 11 (R-7009, 6-19-82)
Ext: SW/4 sec. 2 (A-7372, 10-20-83) Ext: NW/4 Sec. 2 (R-7714, 11-7-84)
Ext: SW/4 sec. 1, SE/4 Sec. 2 (A-7842, 3-1-85) Ext: SE/4 sec. 7 (A-7959, 6-12-85)
Ext: SW/4 sec. 4, NW/4 Sec. 8 (R-8024, 8-30-85)
Ext: SE/4 Sec. 5, NE/4 Sec. 8 (R-8125, 1-14-86) Ext: NW/4 Sec. 12 (R-8356, 12-3-86)
Ext: NE/4 Sec. 11 (R-8513, 9-18-87) EXT: SE/4 SEC 1, SE/4 SEC 9, NW/4 SEC 17 (R-8626, 4-1-88)
EXT: NE/4 SEC 18 (R-8667, 6-10-88) EXT: NE/4 SEC 12 (R-9741, 9-1-89)
EXT: NE/4 SEC 2, SE/4 SEC 12 (R-9120, 3-1-90) EXT: NE/4 SEC 3 (R-9345, 1-11-90)
EXT: NW/4 SEC 1, NE/4 SEC 16 (R-9447, 3-1-91) Ext: NW/4 Sec. 3 (A-9544, 7-1-91)
Ext: SW/4 Sec. 10 (R-9615, 12-3-91)

COUNTY Lea

POOL

Querecho Plains - Bone Springs

UPPER

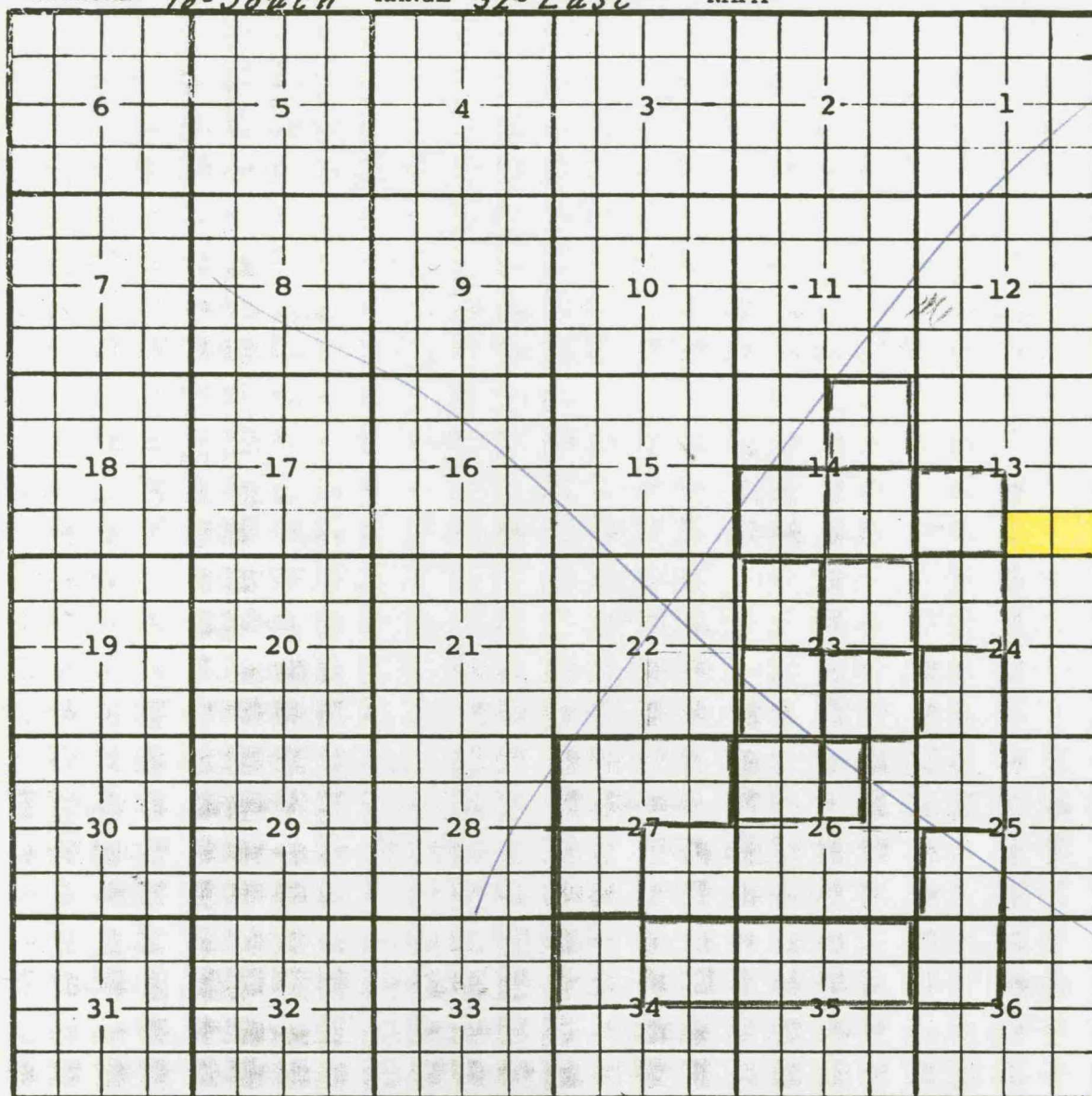
TOWNSHIP

18-South

RANGE

32-East

NMPM



Description: $\frac{5}{8}$ NW $\frac{1}{4}$ Sec. 27, (R-1424, 7-1-59).

Ext: $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 34 (R-5987, 4-1-79) Redesignated "UPPER" Bone Springs with vertical limits set at 9390' - 8680' (R-6332-A, 2-21-80)

Ext: $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 34, $\frac{1}{2}$ Sec. 35 (R-7396, 12-8-83) Ext: $\frac{1}{2}$ Sec. 27 (R-8024, 8-30-85)

Ext: $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 26 (R-8041, 10-3-85)

Ext: $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 23, $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 25, $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 26, $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 36 (R-8214, 5-1-86)

Ext: $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 24, $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25, $\frac{1}{2}$ NE $\frac{1}{4}$ and $\frac{1}{2}$ Sec. 26, $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 27 (R-8233, 5-29-86)

Ext: $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 23 (R-8277, 8-14-86) Ext: $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 22 (R-8340, 11-3-86)

Ext: $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 23 (R-8409, 3-7-87) Ext: $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23 (R-8533, 10/28/87)

EXT: $\frac{1}{4}$ SW $\frac{1}{4}$ sec 14 (R-8856, 1-29-89) EXT: $\frac{1}{4}$ SE $\frac{1}{4}$ sec 14 (R-8901, 4-1-89)

EXT: $\frac{1}{4}$ SW $\frac{1}{4}$ sec 13 (R-8946, 7-1-89) EXT: $\frac{1}{4}$ NW $\frac{1}{4}$ sec 24 (R-9741, 9-1-89) EXT: $\frac{1}{4}$ NE $\frac{1}{4}$ sec 14, (R-9120, 3-1-90)