

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. 9741
Order No. R-8981

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING, AND EXTEND-
ING CERTAIN POOLS IN LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of August, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of North Gem-Wolfcamp Pool. Said North Gem-Wolfcamp Pool was discovered by the Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on June 13, 1989. The top of the perforations is at 11,353 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of East Lane-Abo Pool. Said East Lane-Abo Pool was discovered by the Petroleum Production Management Inc. State 8 Well No.

1 located in Unit A of Section 8, Township 10 South, Range 34 East, NMPM. It was completed in the Abo formation on April 30, 1989. The top of the perforations is at 9,000 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Lane-San Andres Pool. Said Lane-San Andres Pool was discovered by the Petroleum Production Management Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. It was completed in the San Andres formation on April 18, 1989. The top of the perforations is at 4,521 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of the North Teague-Abo Pool. Said North Teague-Abo Pool was discovered by the American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. It was completed in the Abo formation on March 16, 1989. The top of the perforations is at 6,718 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of North Young-Wolfcamp Pool. Said North Young-Wolfcamp Pool was discovered by the Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. It was completed in the Wolfcamp formation on June 23, 1989. The top of the perforations is at 10,458 feet.

(7) There is need for the contraction of the East Caprock-Wolfcamp Pool in Lea County, New Mexico, in order to correct the overlap with the North Bagley-Permo Pennsylvanian Pool and to delete acreage which is nonproductive in the Wolfcamp formation.

(8) There is need for certain extensions to the North Bagley-Permo Pennsylvanian Pool, the Bishop Canyon-Queen Pool, the Grama Ridge-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Lovington-Wolfcamp Pool, the West Lusk-Delaware Pool, the Querecho Plains-Upper Bone Spring Pool, the Reeves-Queen Pool, the Shipp-Strawn Pool, the Teague-

Blinebry Pool, the West Tonto-Bone Spring Pool, the Tulk-Wolfcamp Pool, the North Vacuum Atoka-Morrow Gas Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Gem-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the East Lane-Abo Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

(c) A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the Lane-San Andres Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 1: NW/4

(d) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the North Teague-Abo Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

(e) A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Young-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SW/4

(f) The East Caprock-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: E/2, NW/4, E/2 SW/4, and
SW/4 SW/4

(g) The North Bagley-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: E/2 SW/4 and SW/4 SW/4

(h) The Bishop Canyon-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: N/2

(i) The Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4
Section 16: N/2

(j) The Hare-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 15: SW/4

(k) The Lovington-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 24: S/2

(l) The West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 16: SW/4

(m) The Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(n) The Reeves-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 21: SE/4

(o) The Shipp-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 12: NW/4

(p) The Teague-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

(q) The West Tonto-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

-6-

Case No. 9741

Order No. R-8981

(r) The Tulk-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

(s) The North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

(t) The North Young-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

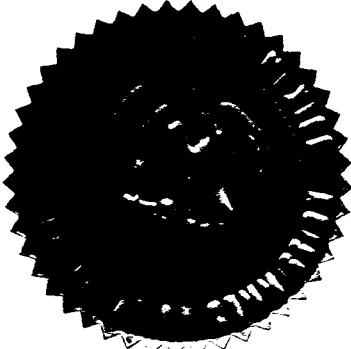
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said 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 said 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 September 1, 1989.

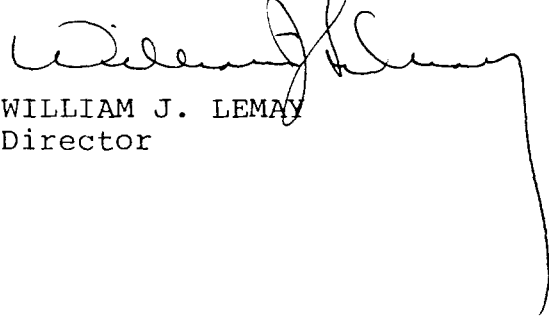
-7-
Case No. 9741
Order No. R-8981

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

fd/

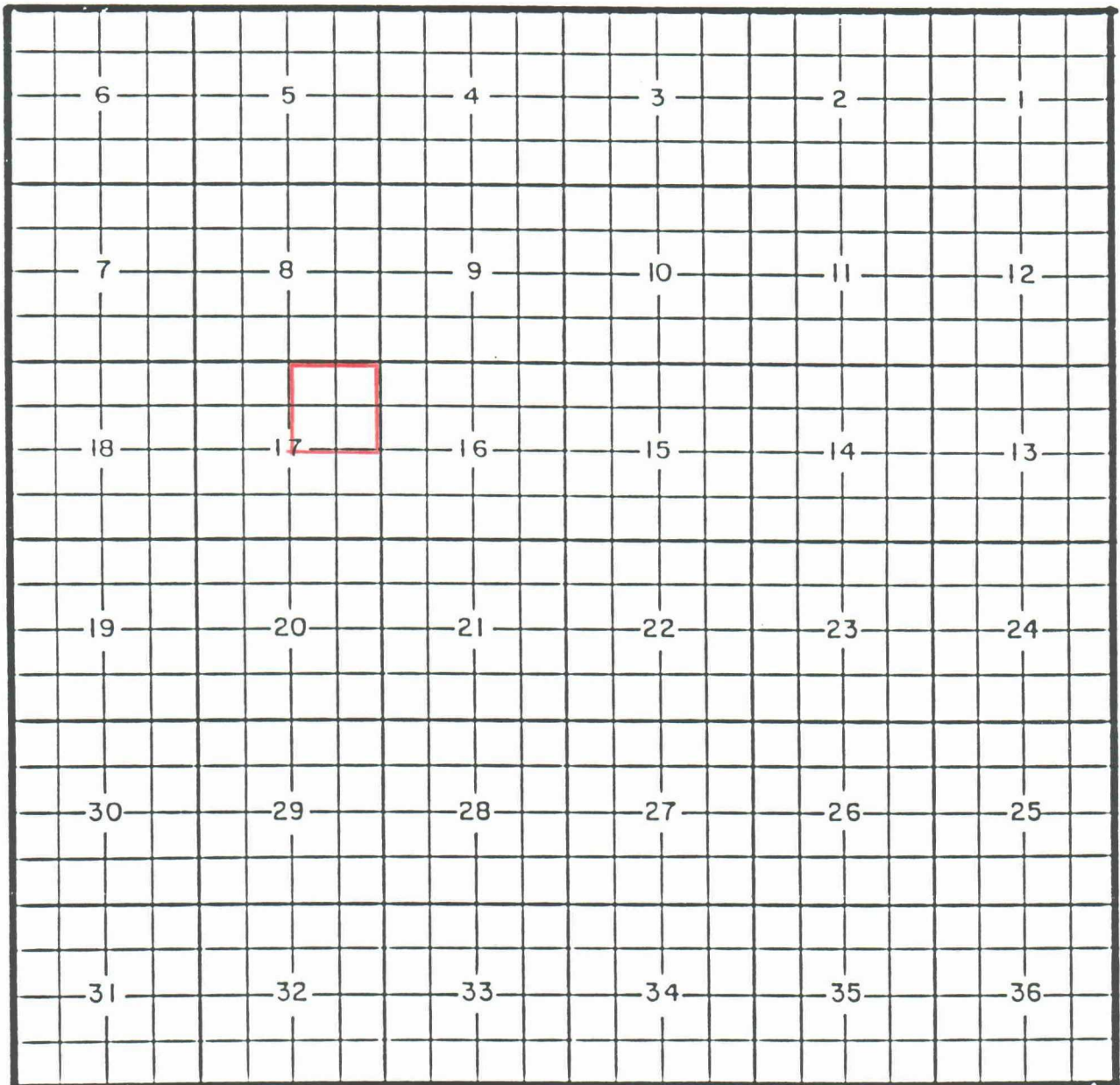
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AUG 18 1989

COUNTY LEA POOL NORTH GEM-WOLFCAMP

OIL CONSERVATION DIV
SANTA FE

TOWNSHIP 19 South RANGE 33 East NMPM



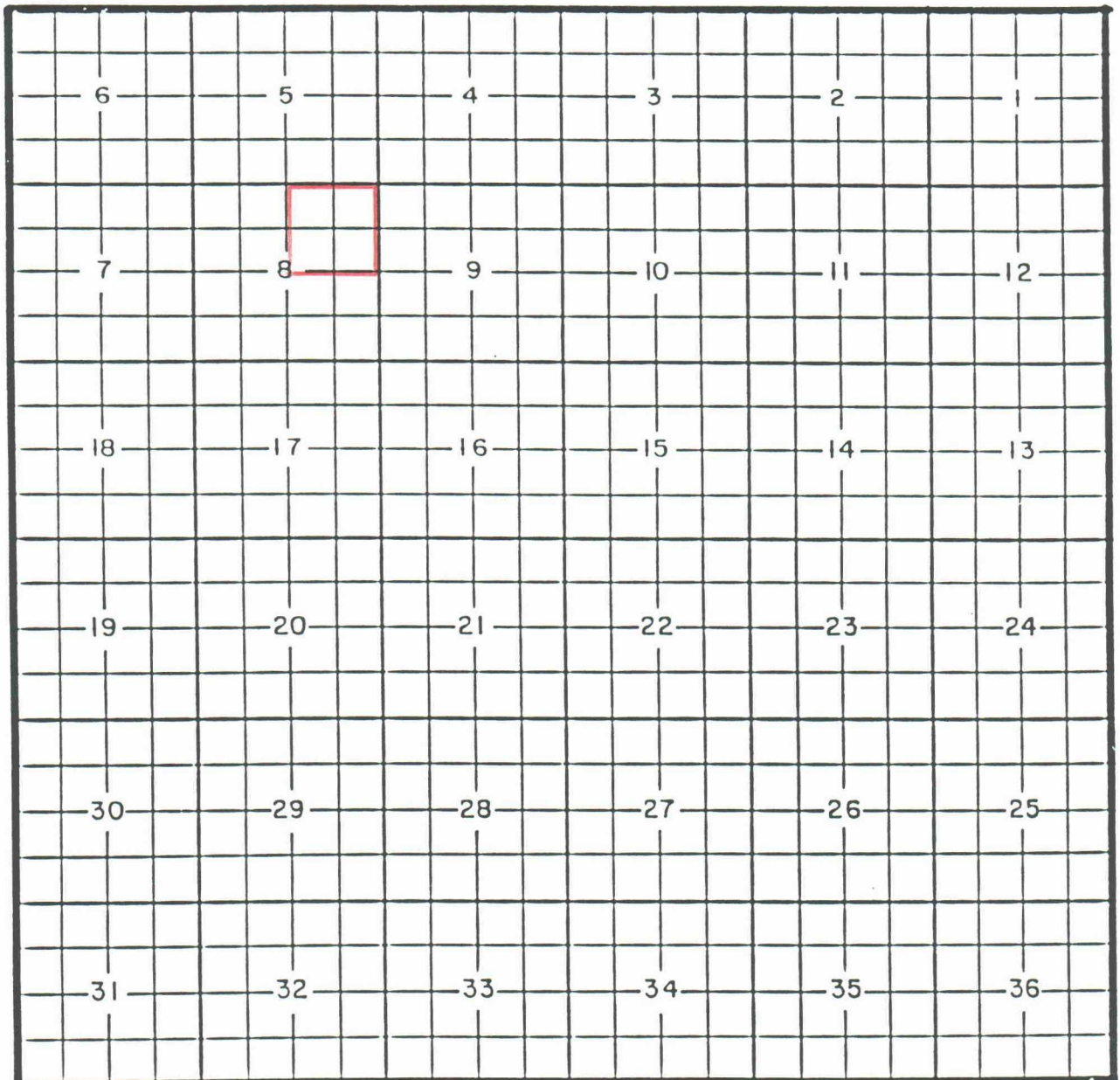
PURPOSE: One completed oil well capable of producing.

Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. It was completed June 13, 1989, in the Wolfcamp formation. The top of the perforations is at 11,353 feet.

Proposed pool boundary outlined in red. Section 17: NE/4

COUNTY LEA POOL EAST LANE-ABO

TOWNSHIP 10 South RANGE 34 East NMPM



PURPOSE: One completed oil well capable of producing.

Petroleum Prod Mgt Inc. State 8 Well No. 1 located in Unit A of Section 8.
 Township 10 South, Range 34 East, NMPM. It was completed April 30, 1989, in the
 Abo formation. The top of the perforations is at 9,000 feet.

Proposed pool boundary outlined in red. Section 8: NE/4

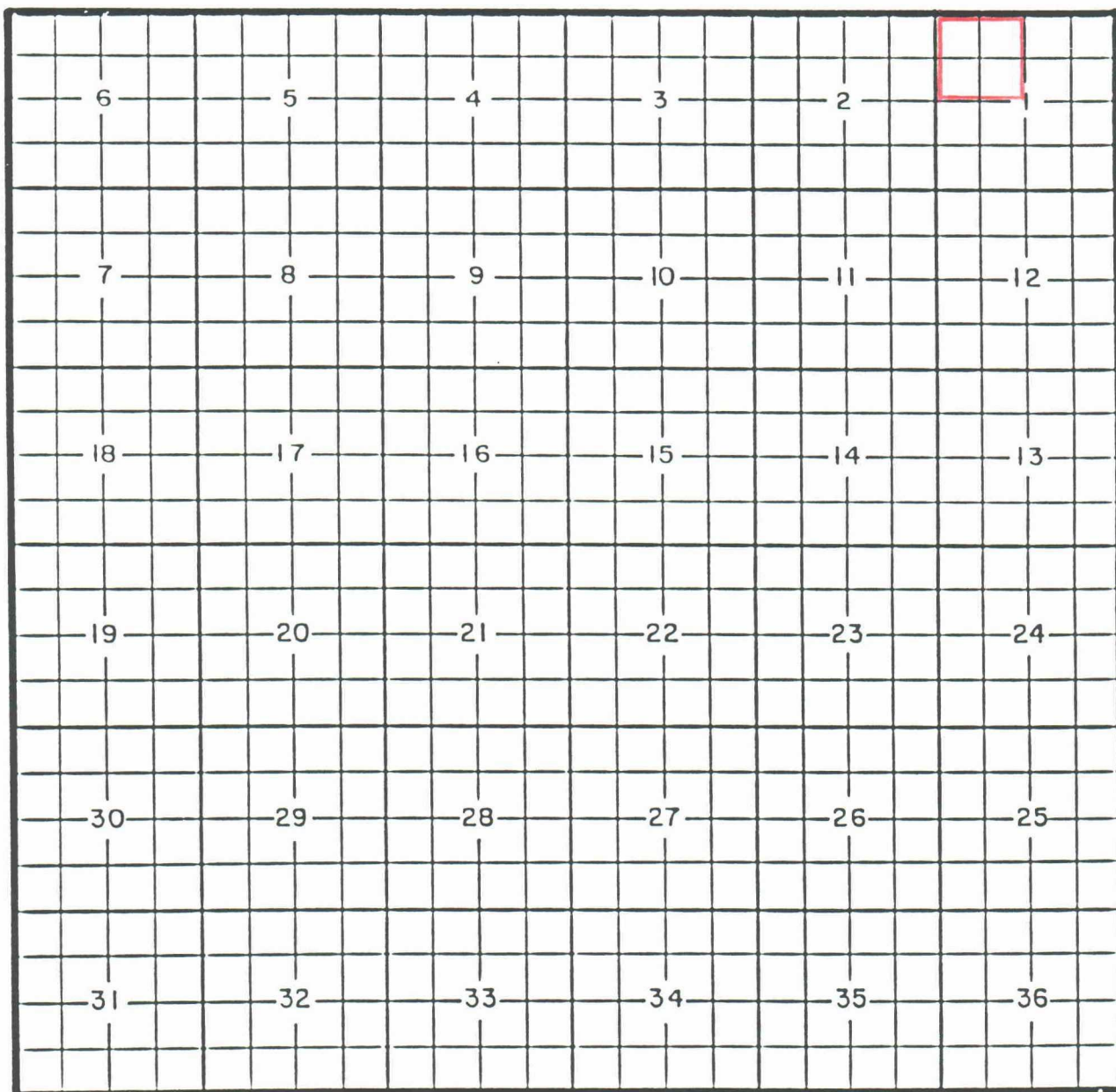
COUNTY LEA

POOL LANE-SAN ANDRES

TOWNSHIP 10 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Petroleum Production Mgt, Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. It was completed April 18, 1989, in the San Andres formation. The top of the perforations is at 4,521 feet.

Proposed pool boundary outlined in red. Section 1: NW/4

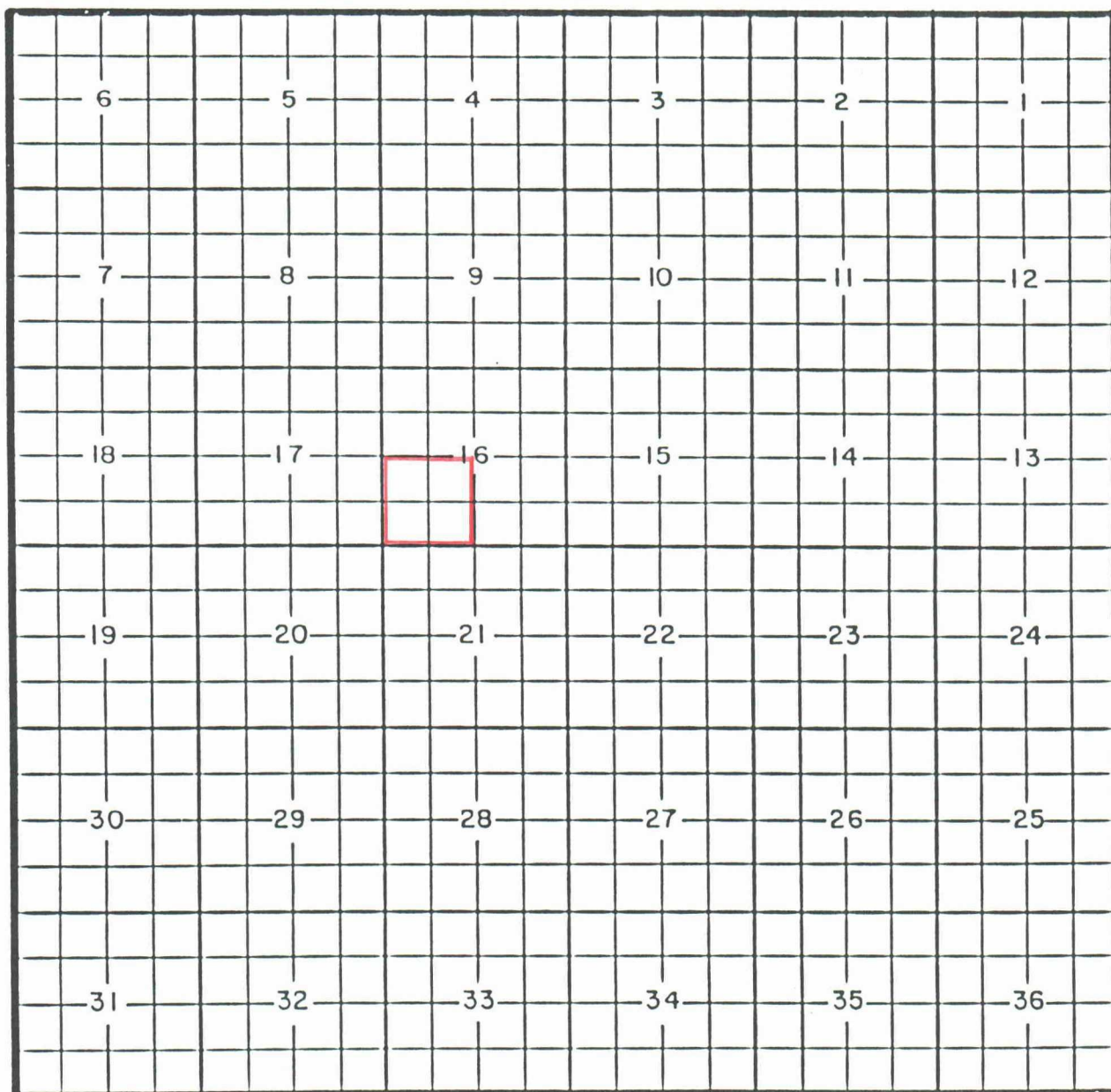
COUNTY LEA

POOL NORTH TEAGUE-ABO

TOWNSHIP 23 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. It was completed March 16, 1989, in the Abo formation. The top of the perforations is at 6,718 feet.

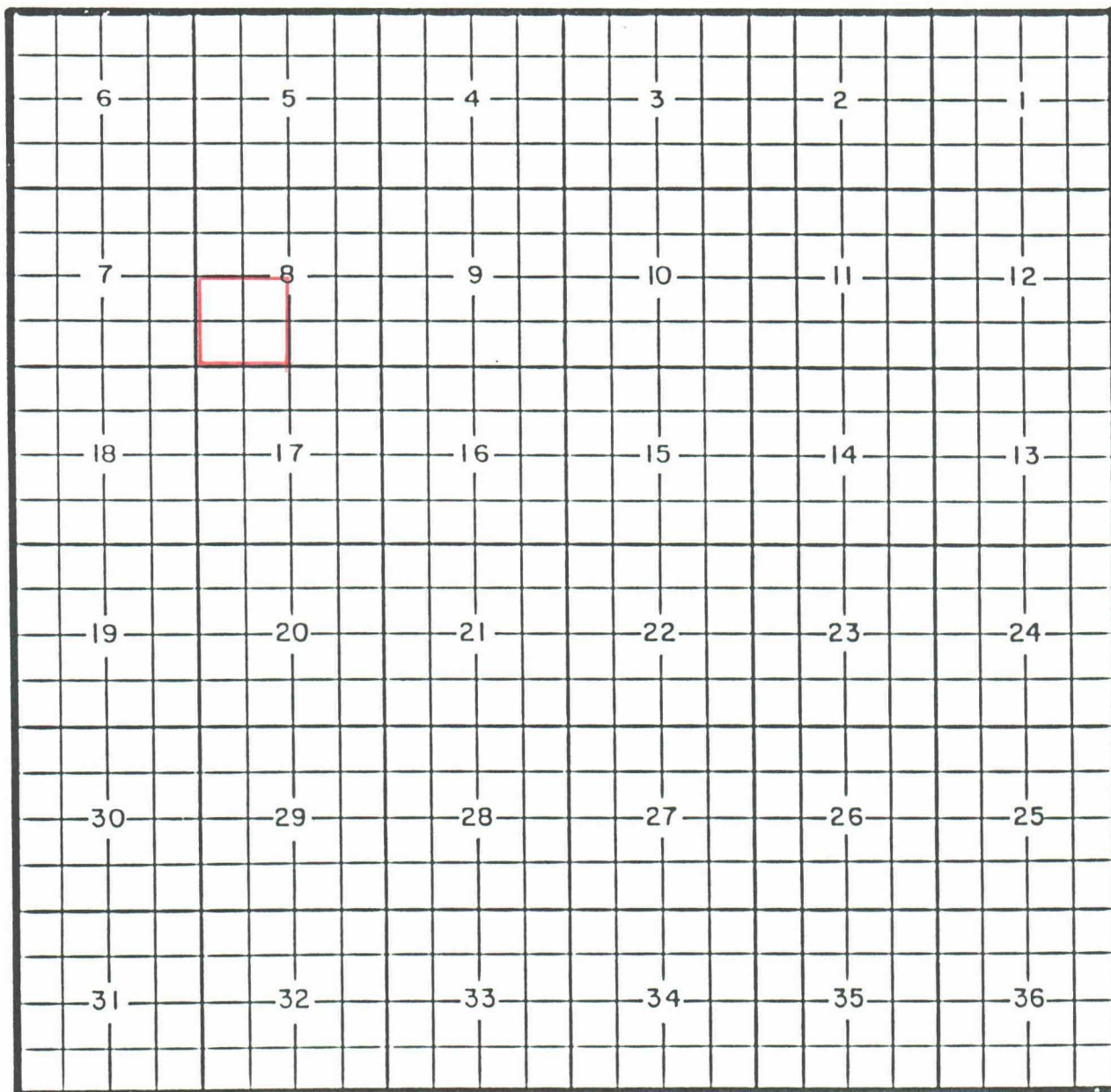
Proposed pool boundary outlined in red. Section 16: SW/4

COUNTY LEA

POOL NORTH YOUNG-WOLFCAMP

TOWNSHIP 18 South RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. It was completed June 23, 1989, in the Wolfcamp formation. The top of the perforations is at 10,458 feet.

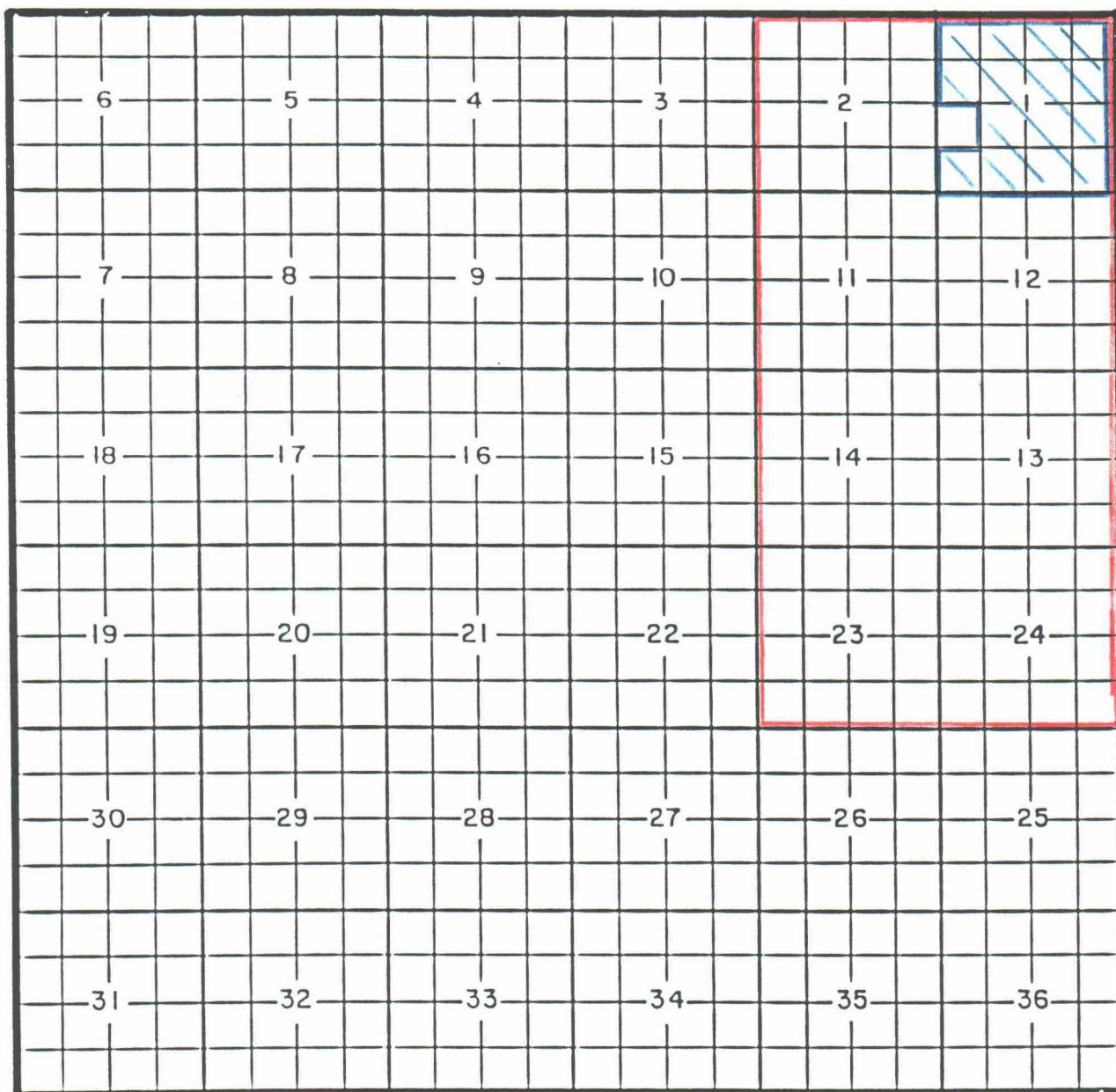
Proposed pool boundary outlined in red. Section 8: SW/4

COUNTY LEA

POOL EAST CAPROCK-WOLFCAMP

TOWNSHIP 12 South RANGE 32 East

NMPM



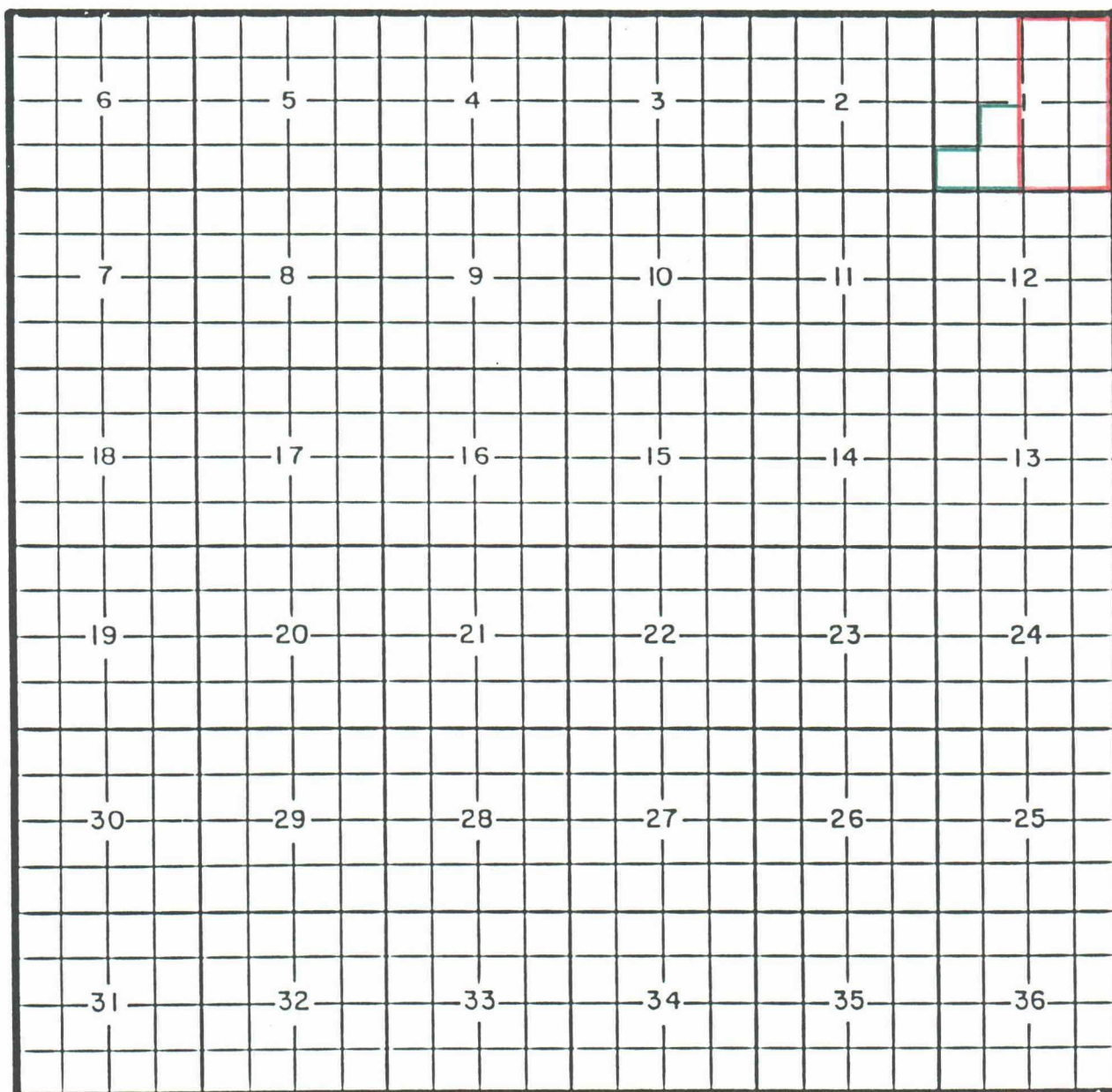
PURPOSE: To correct overlap with the North Bagley-Permo Pennsylvanian Pool and to delete acreage which is non-productive in the Wolfcamp formation.

Pool boundary outlined in red.

Proposed deleted area outlined in blue. Section 1: E/2, NW/4, E/2 SW/4, SW/4 SW/4

COUNTY LEA POOL NORTH BAGLEY-PERMO PENNSYLVANIAN

TOWNSHIP 12 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

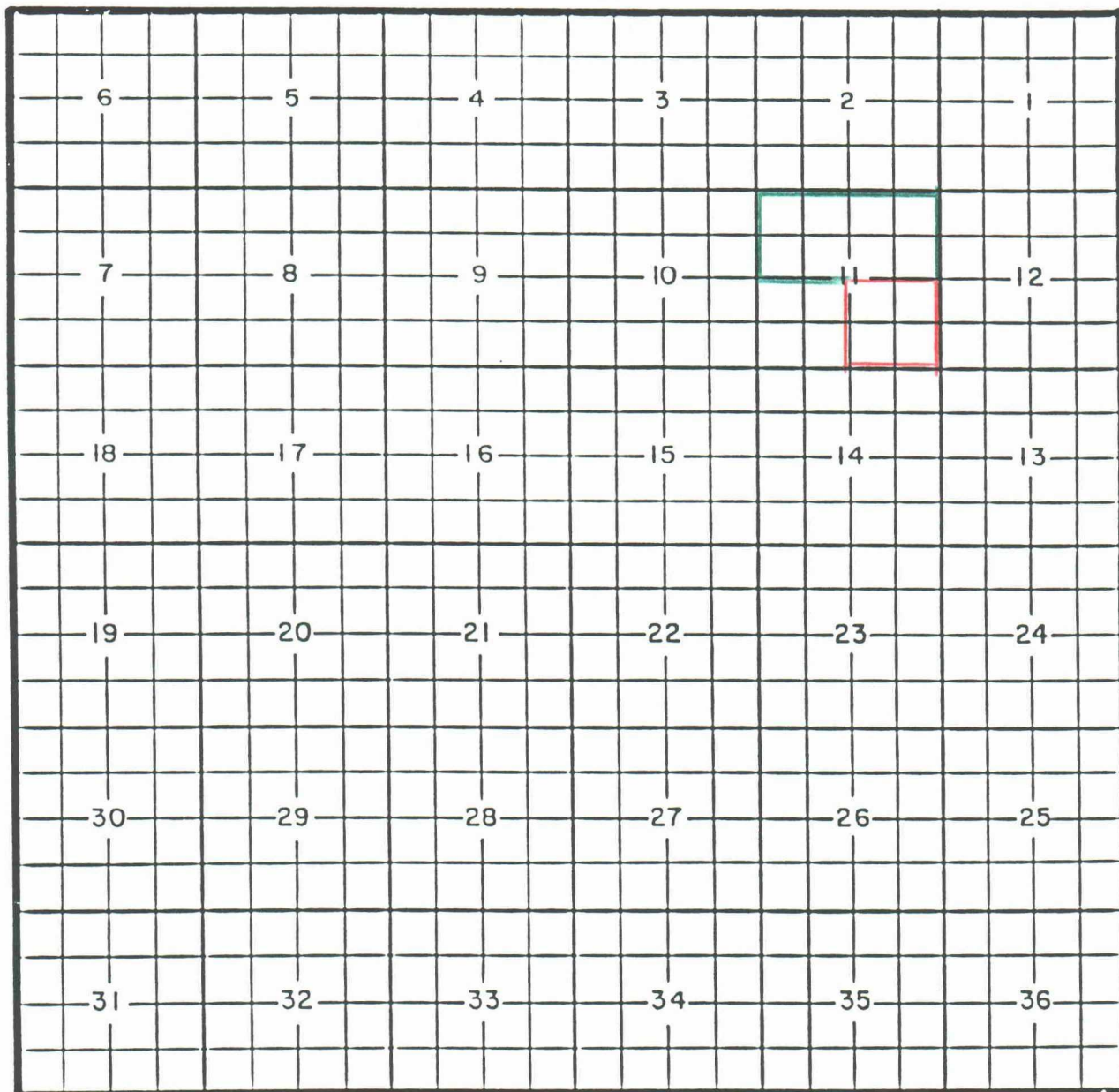
Danny R. Watson Tenneco Sunshine Well No. 3 located in Unit N of Section 1.
Township 12 South, Range 32 East, NMPM. It was completed April 24, 1977, in
Pennsylvanian (Bough C) formation. The top of the perforations is at 9,303 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 1: E/2 SW/4 and SW/4 SW/4

COUNTY LEA POOL BISHOP CANYON-QUEEN

TOWNSHIP 18 South RANGE 38 East NMPM



PURPOSE: One completed oil well capable of producing.

Beach Exploration Inc. Bear Well No. 1 located in Unit F of Section 11, Township 18 South, Range 38 East, NMPM. It was completed April 24, 1989, in the Queen formation. The top of the perforations is at 4,111 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 11: N/2

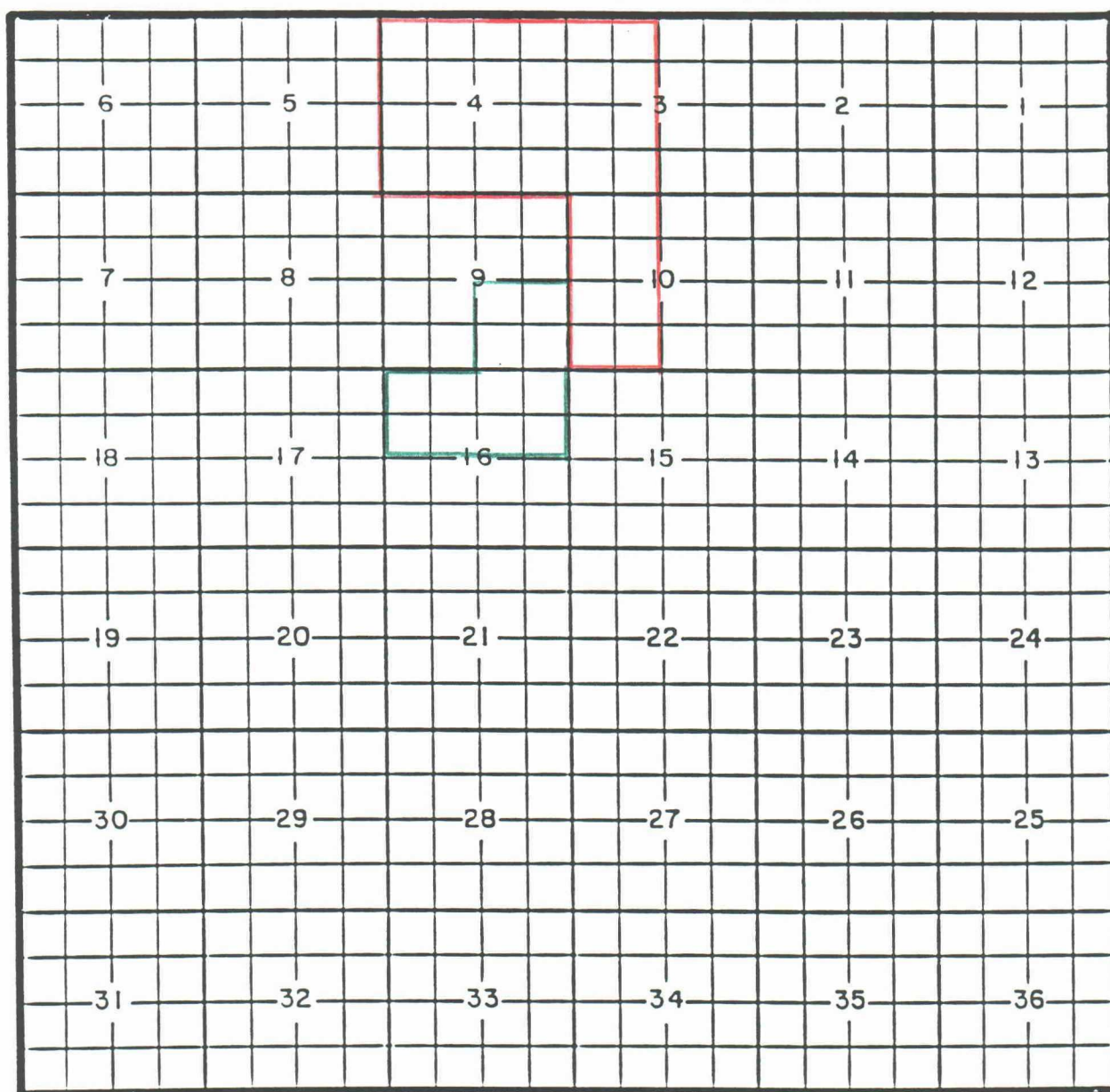
COUNTY LEA

POOL GRAMA RIDGE-MORROW GAS

TOWNSHIP 22 South

RANGE 34 East

NMPM



Purpose: One completed gas well capable of producing.

BTA Oil Producers Grama 8817 JV-P Com Well No. 1 located in Unit C of Section 16, Township 22 South, Range 34 East, NMPM. It was completed June 8, 1989, in the Morrow formation. The top of the perforations is at 12,905 feet.

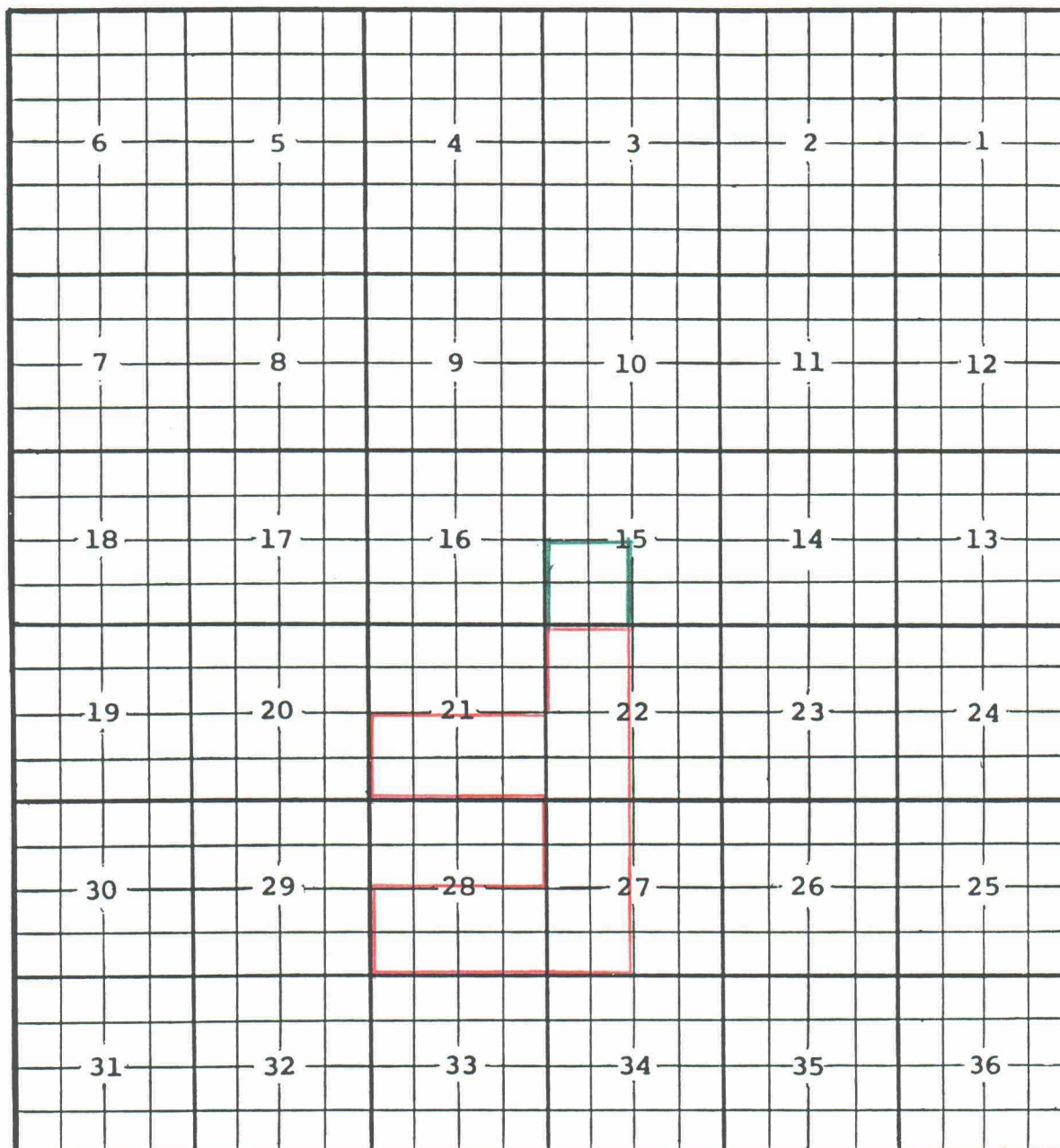
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 9: SE/4

Section 16: N/2

COUNTY LEA POOL HARE-SAN ANDRES GAS

TOWNSHIP 21 South RANGE 37 East NMPM



PURPOSE: One completed gas well capable of producing.

Shell Western E & P Inc. Argo Well No. 10 located in Unit L of Section 15, Township 21 South, Range 37 East, NMPM. It was completed May 11, 1989, in the San Andres formation. The top of the perforations is at 4,016 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 15: SW/4

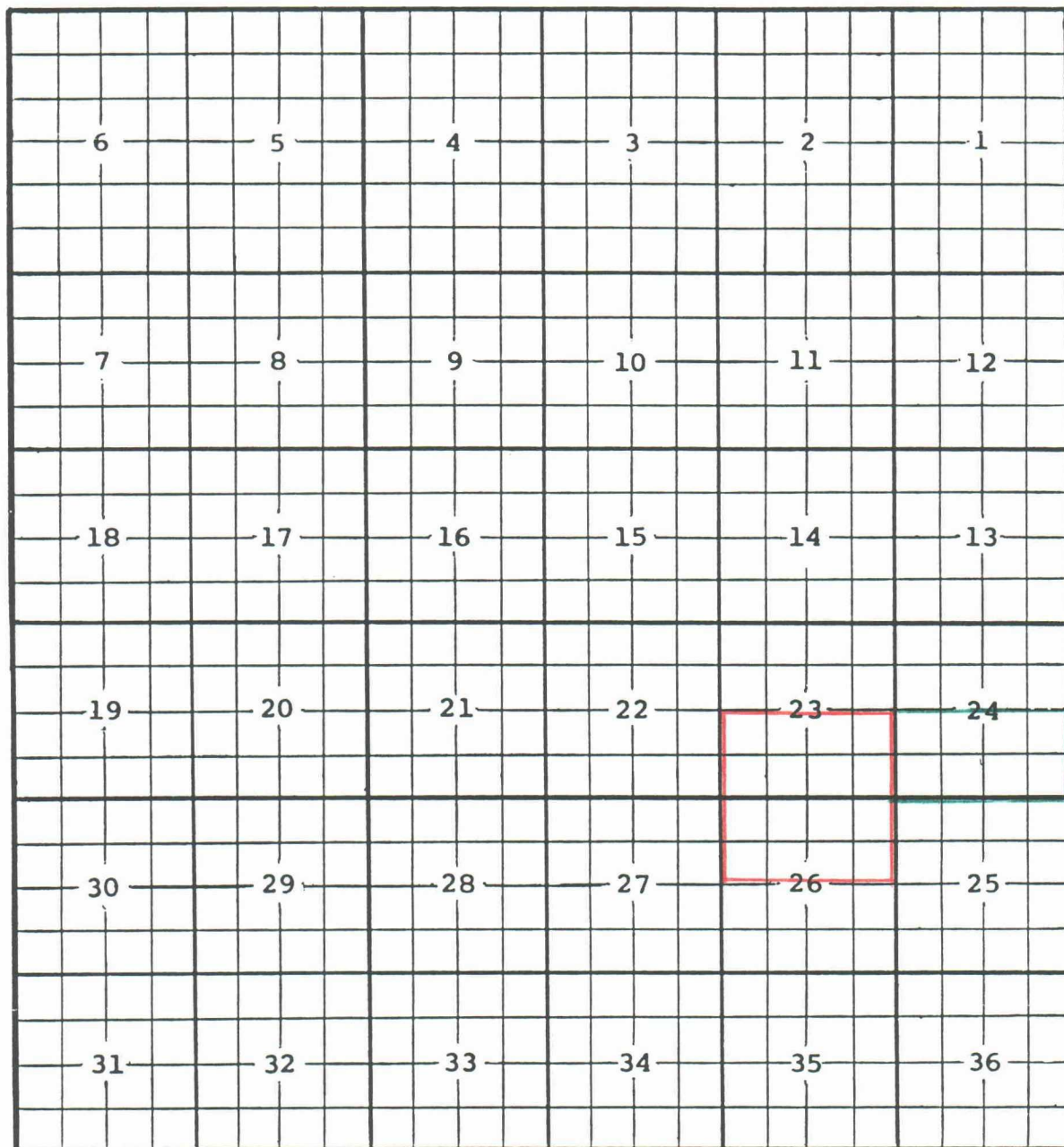
COUNTY LEA

POOL LOVINGTON-WOLFCAMP

TOWNSHIP 16 South

RANGE 36 East

NMPM



PURPOSE: One completed oil well capable of producing.

Nearburg Producing Company Doubloon State 24P Well No. 1 located in Unit P of Section 24, Township 16 South, Range 36 East, NMPM. It was completed March 18, 1989, in the Wolfcamp formation. The top of the perforations is at 10,115 feet.

Pool boundary outlibnd in red.

Proposed pool extension outlined in green. Section 24: S/2

PURPOSE: One completed oil well capable of producing
Harvey E. Yates Company Lusk 16 State Well No. 1 located in Unit M of Section
16, Township 19 South, Range 32 East, NMPM. It was completed April 30, 1989.
in the Delaware formation. The top of the perforations is at 6,503 feet.

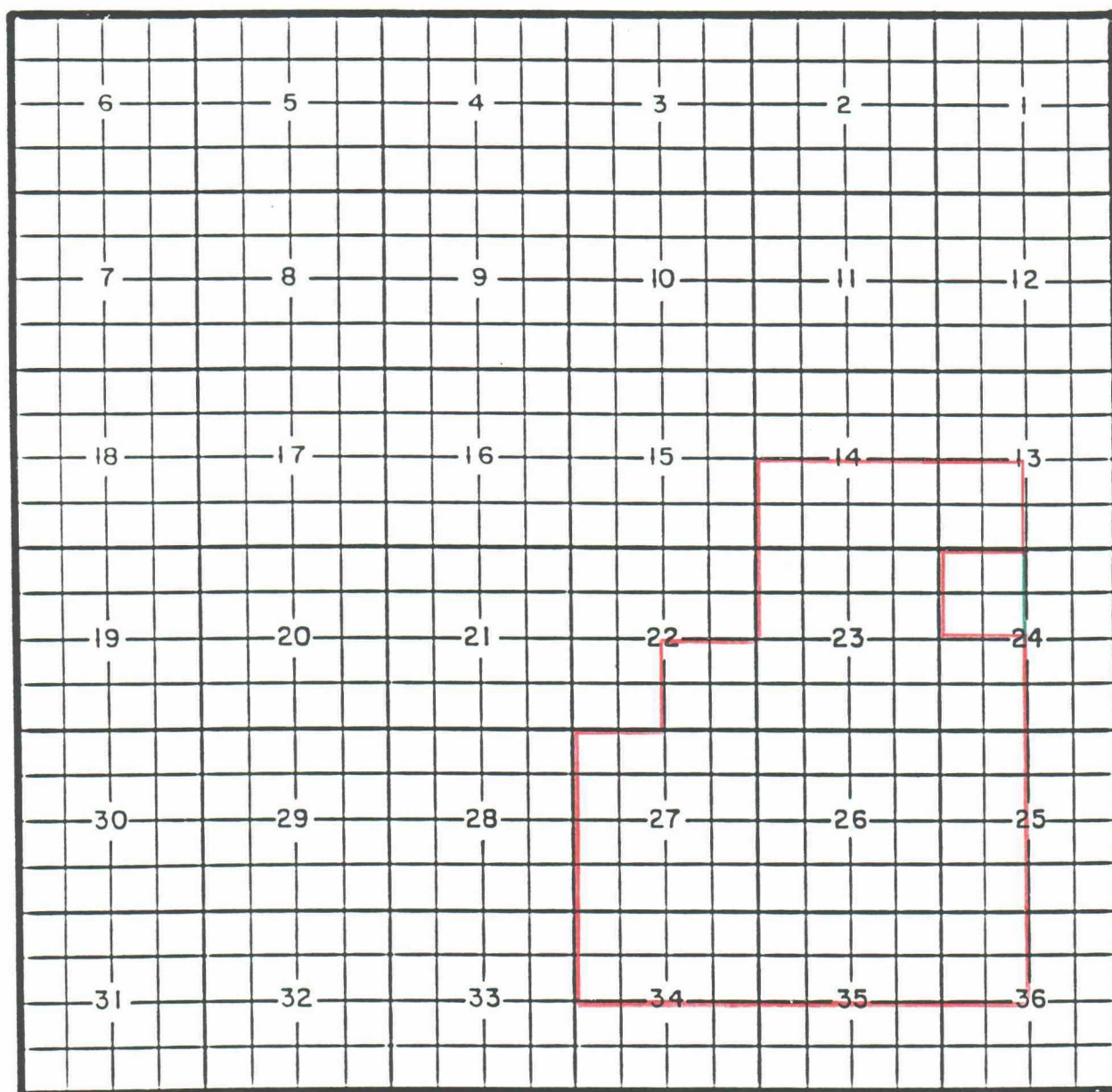
COUNTY LEA

POOL QUERECHO PLAINS-UPPER BONE SPRING

TOWNSHIP 18 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

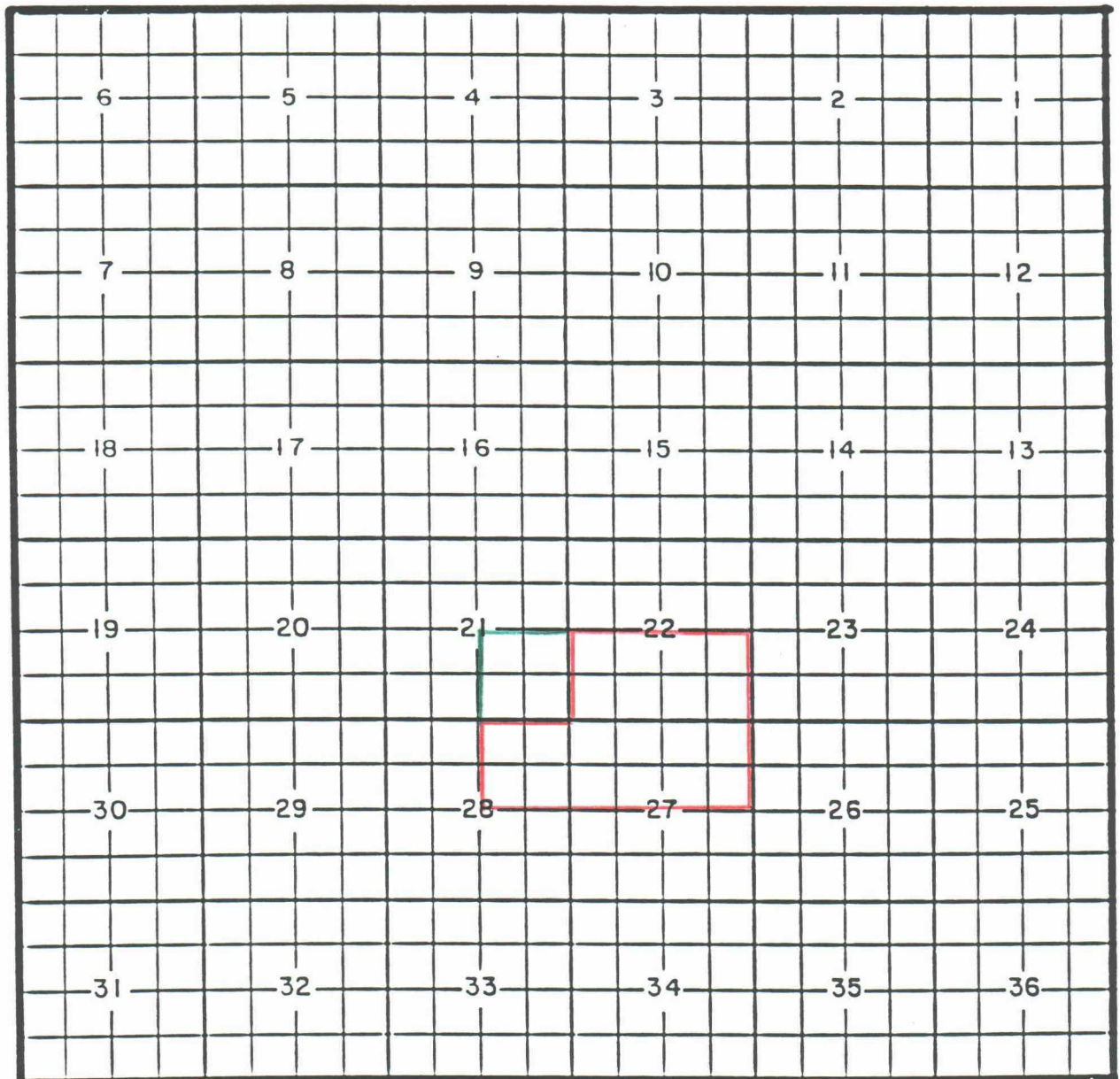
Mewbourne Oil Company Federal P Well No. 1 located in Unit D of Section 24, Township 18 South, Range 32 East, NMPM. It was completed May 7, 1989, in the Bone Spring formation. The top of the perforations is at 8,473 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 24: NW/4

COUNTY LEA POOL REEVES-QUEEN

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

Bass Enterprises Production Company Reeves 21 State Well No. 1 located in Unit P of Section 21, Township 18 South, Range 35 East, NMPM. It was completed June 8, 1989, in the Queen formation. The top of the perforations is at 4,460 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 21: SE/4

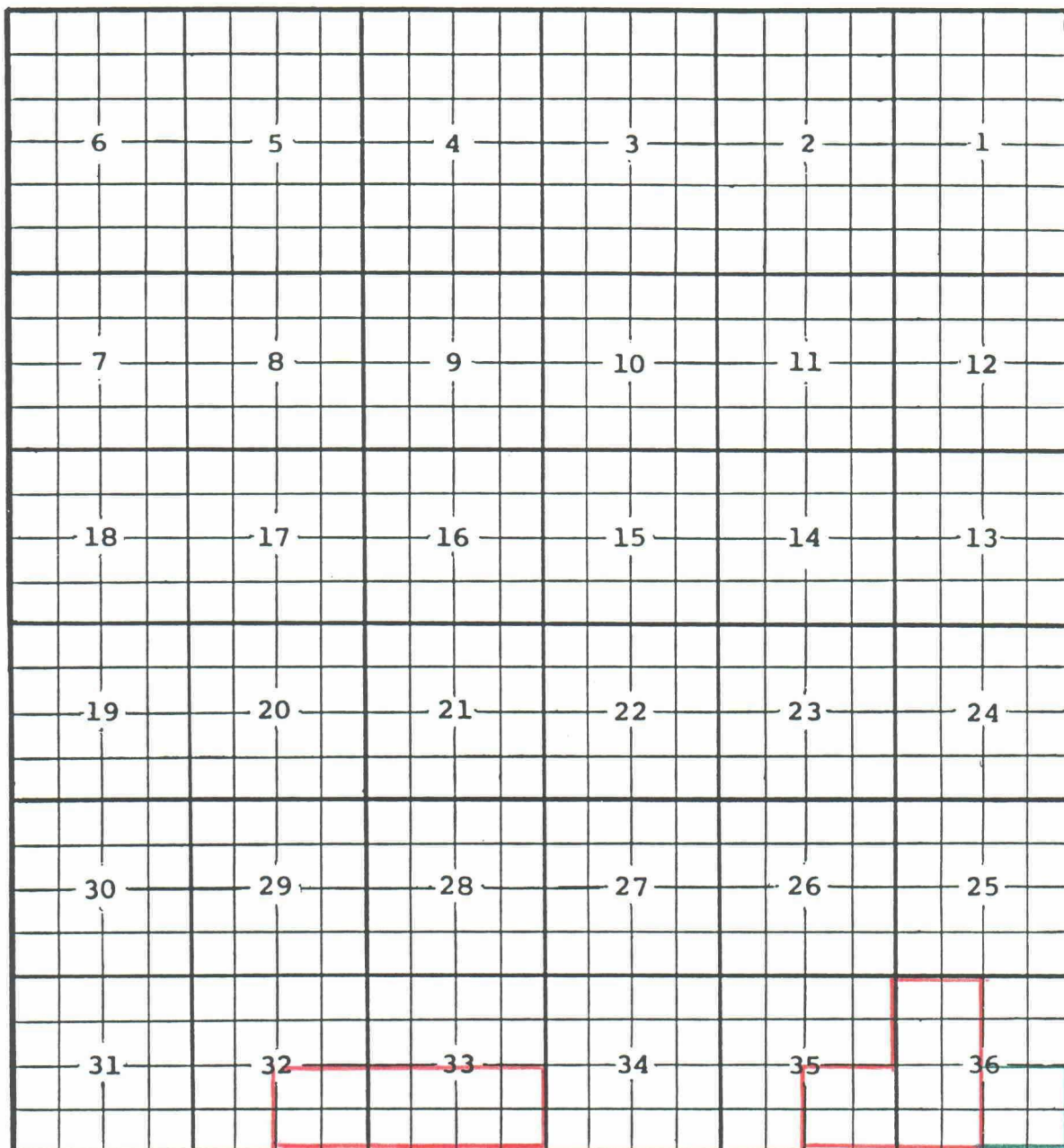
COUNTY LEA

POOL SHIPP-STRAWN

TOWNSHIP 16 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

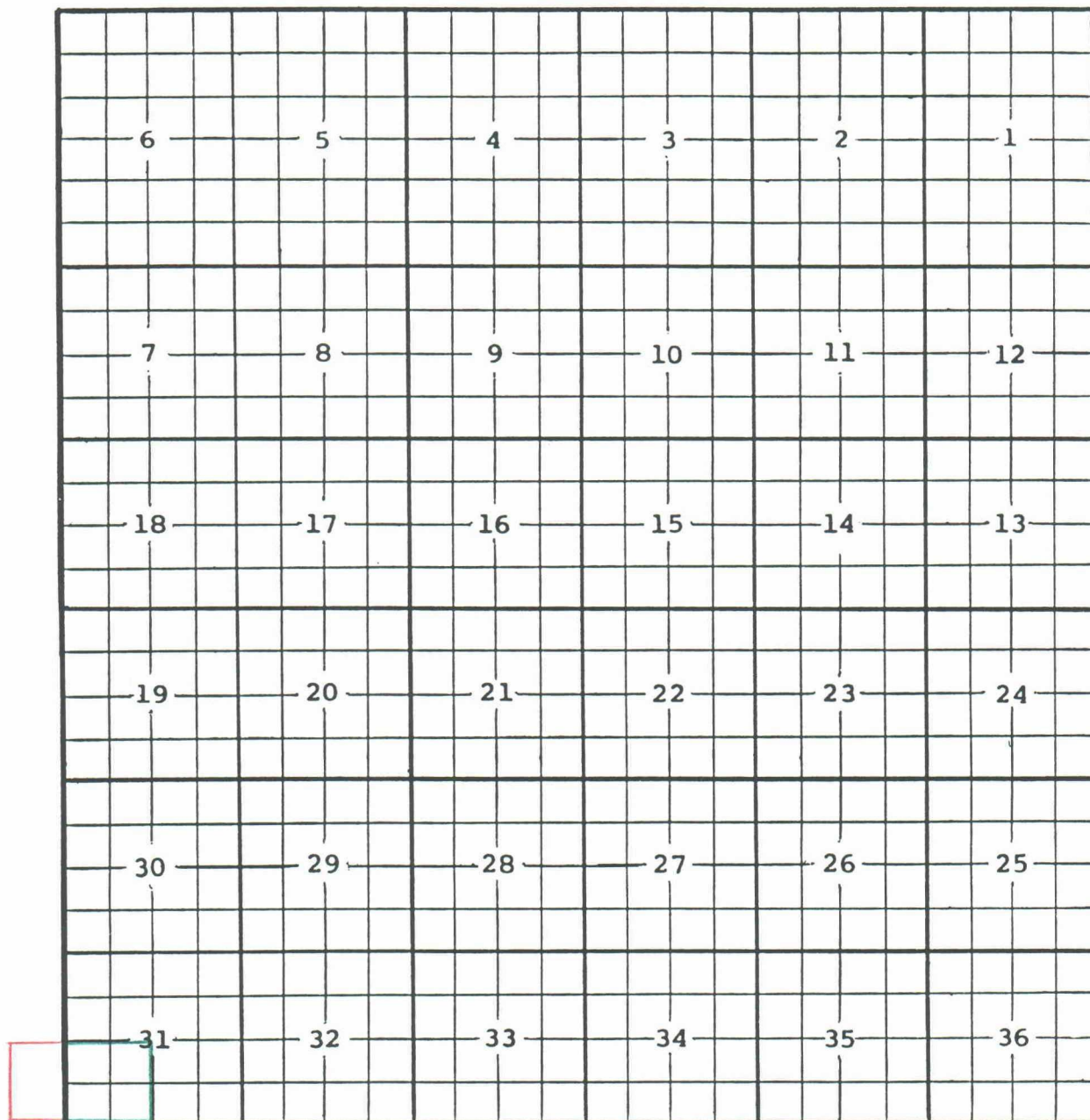
Siete Oil & Gas Corporation Victorio State Well No. 1 located in Unit L of Section 31, Township 16 South, Range 38 East, NMPM. It was completed April 1, 1989, in the Strawn formation. The top of the perforations is at 11,556 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 36: SE/4

COUNTY LEA POOL SHIPP-STRAWN

TOWNSHIP 16 South RANGE 38 East NMPM



PURPOSE: One completed oil well capable of producing.

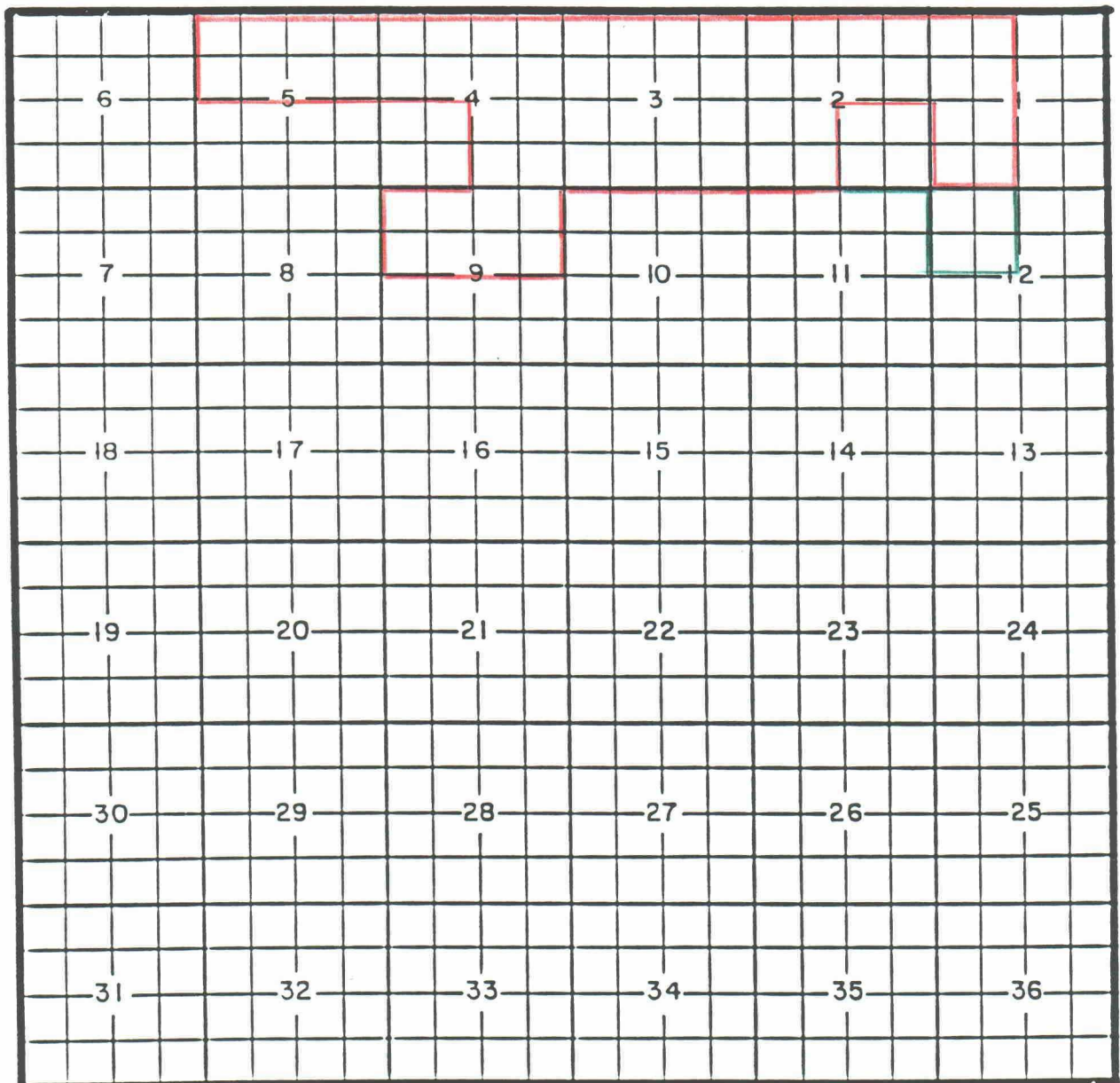
Siete Oil & Gas Corporation Victorio State Well No. 1 located in Unit L of Section 31, Township 16 South, Range 38 East, NMPM. It was completed April 1, 1989, in the Strawn formation. The top of the perforations is at 11,556 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 31: SW/4

COUNTY LEA POOL SHIPP-STRAWN

TOWNSHIP 17 South RANGE 37 East NMPM



PURPOSE: Two completed oil wells capable of producing.

Nearburg Producing Company Mary Ann 12C Well No. 1 located in Unit C of Section 12, Township 17 South, Range 37 East, NMPM. It was completed July 12, 1989, in the Strawn formation. The top of the perforations is at 11,518 feet. Amerind Oil Company State MTS "X" Well No. 1 located in Unit I of Section 2, Township 17 South, Range 37 East, NMPM. It was completed March 4, 1989, in the Strawn formation. The top of the perforations is at 11,829 feet. Pool boundary outlined in red.

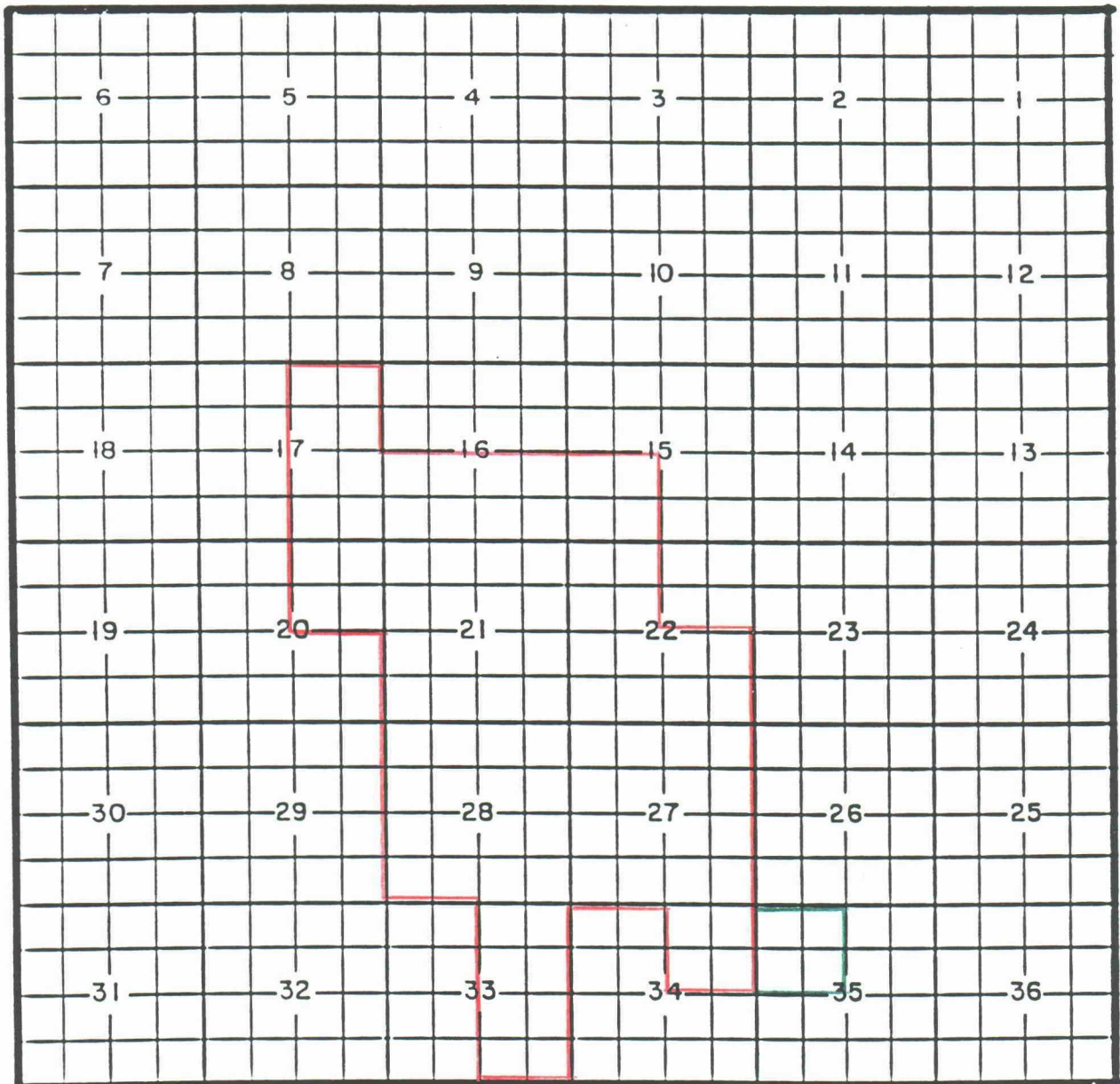
Proposed pool extension outlined in green. Section 2: SE/4; Section 12: NW/4

COUNTY LEA

POOL TEAGUE-BLINEBRY

TOWNSHIP 23 South RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

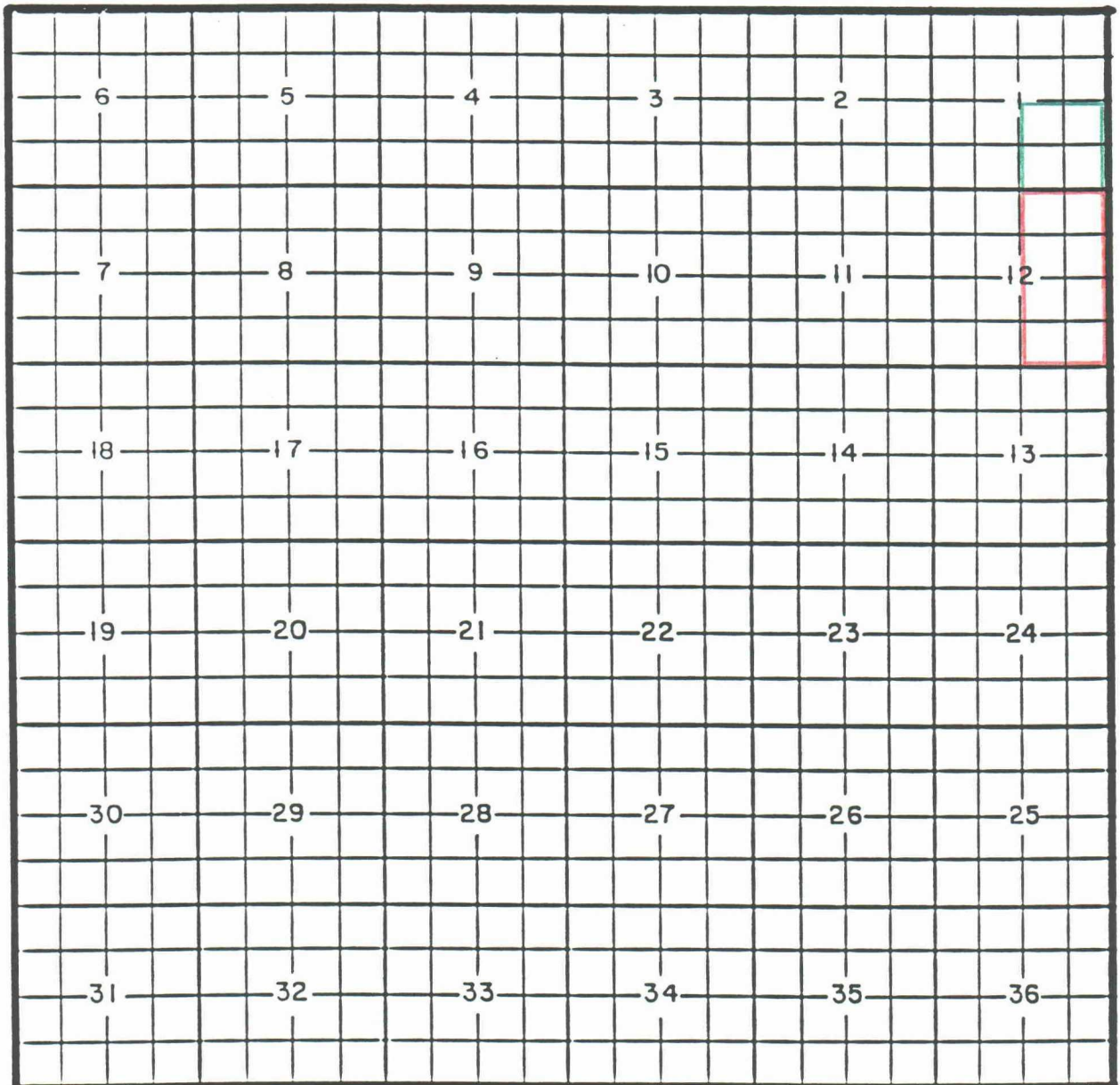
Arch Petroleum Inc. E. C. Hill "B" Well No. 6 located in Unit E of Section 35, Township 23 South, Range 37 East, NMPM. It was completed June 26, 1989, in the Blinebry formation. The top of the perforations is at 5,316 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 35: NW/4

COUNTY LEA POOL WEST TONTO-BONE SPRING

TOWNSHIP 19 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

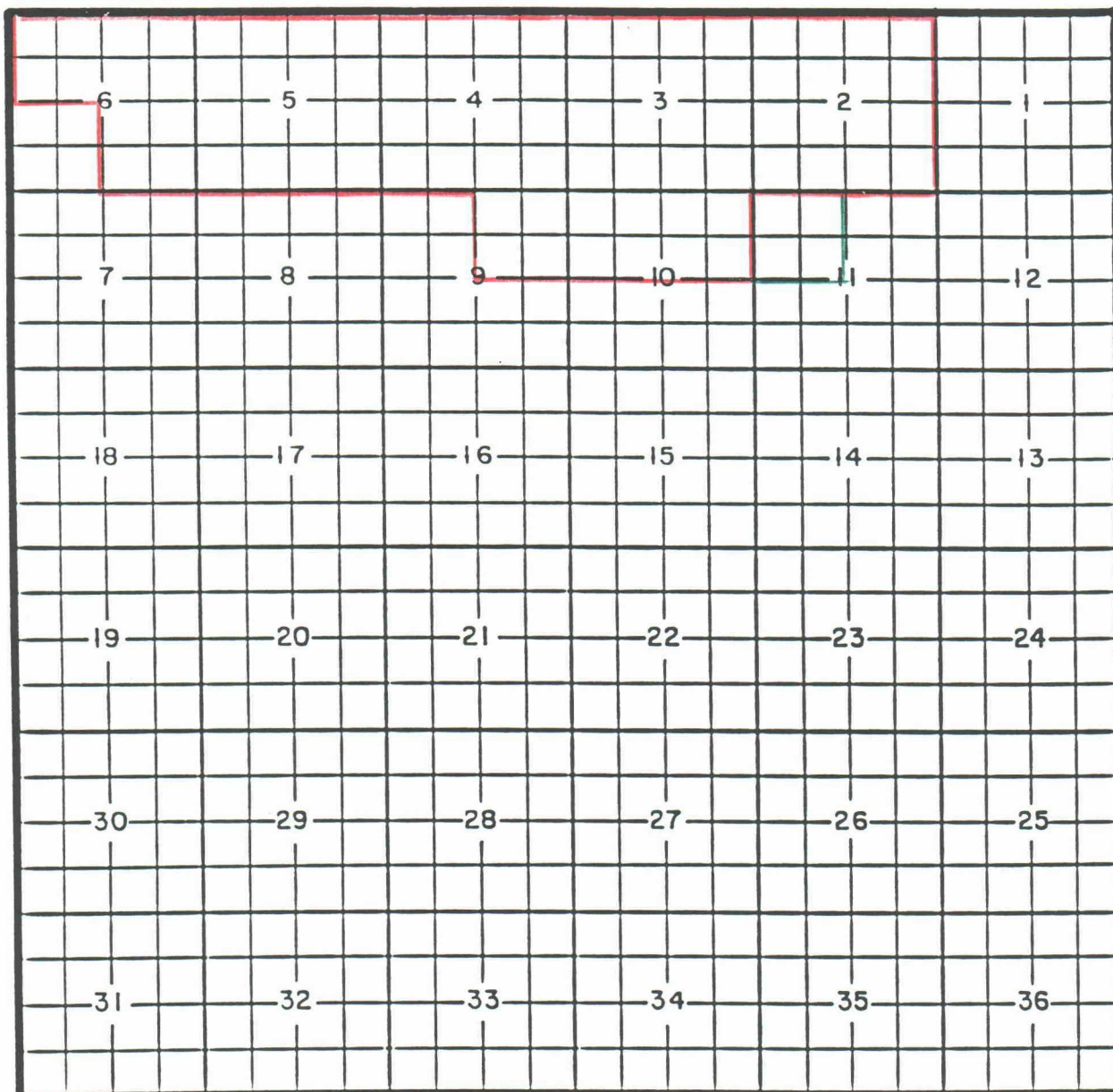
Meridian Oil Inc. Bondurant Federal Well No. 1 located in Unit I of Section 1, Township 19 South, Range 32 East, NMPM. It was completed June 20, 1989, in the Bone Spring formation. The top of the perforations is at 7,570 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 1: SE/4

COUNTY LEA POOL TULK-WOLFCAMP

TOWNSHIP 15 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

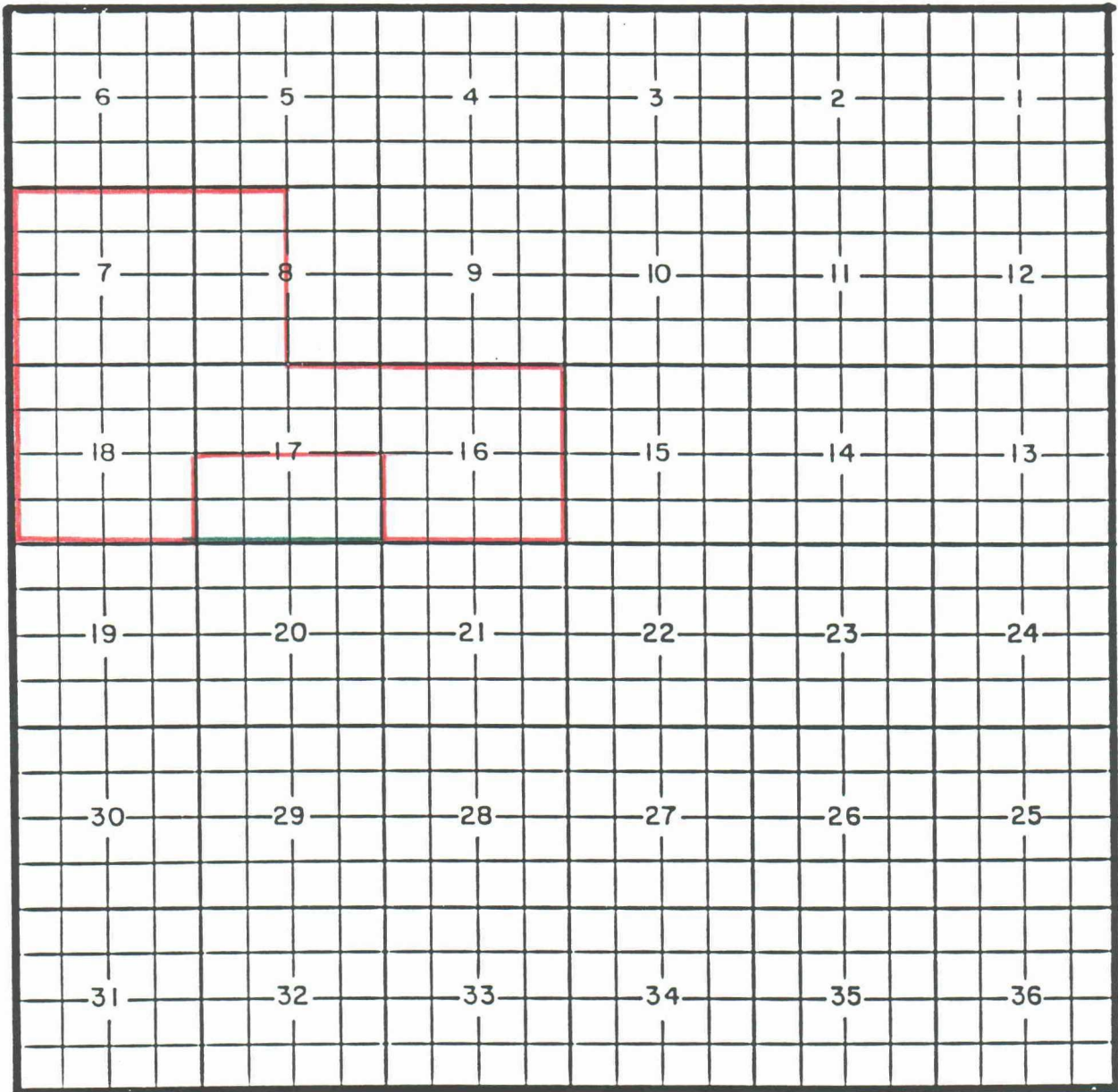
Santa Fe Energy Operating Partners L.P. State NM "11" Well No. 2 located in Unit E of Section 11, Township 15 South, Range 32 East, NMPM. It was completed July 13, 1989, in the Wolfcamp formation. The top of the perforations is at 9,941 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 11: NW/4

COUNTY LEA POOL NORTH VACUUM ATOKA-MORROW GAS

TOWNSHIP 17 South RANGE 35 East NMPM



PURPOSE: One completed gas well capable of producing.

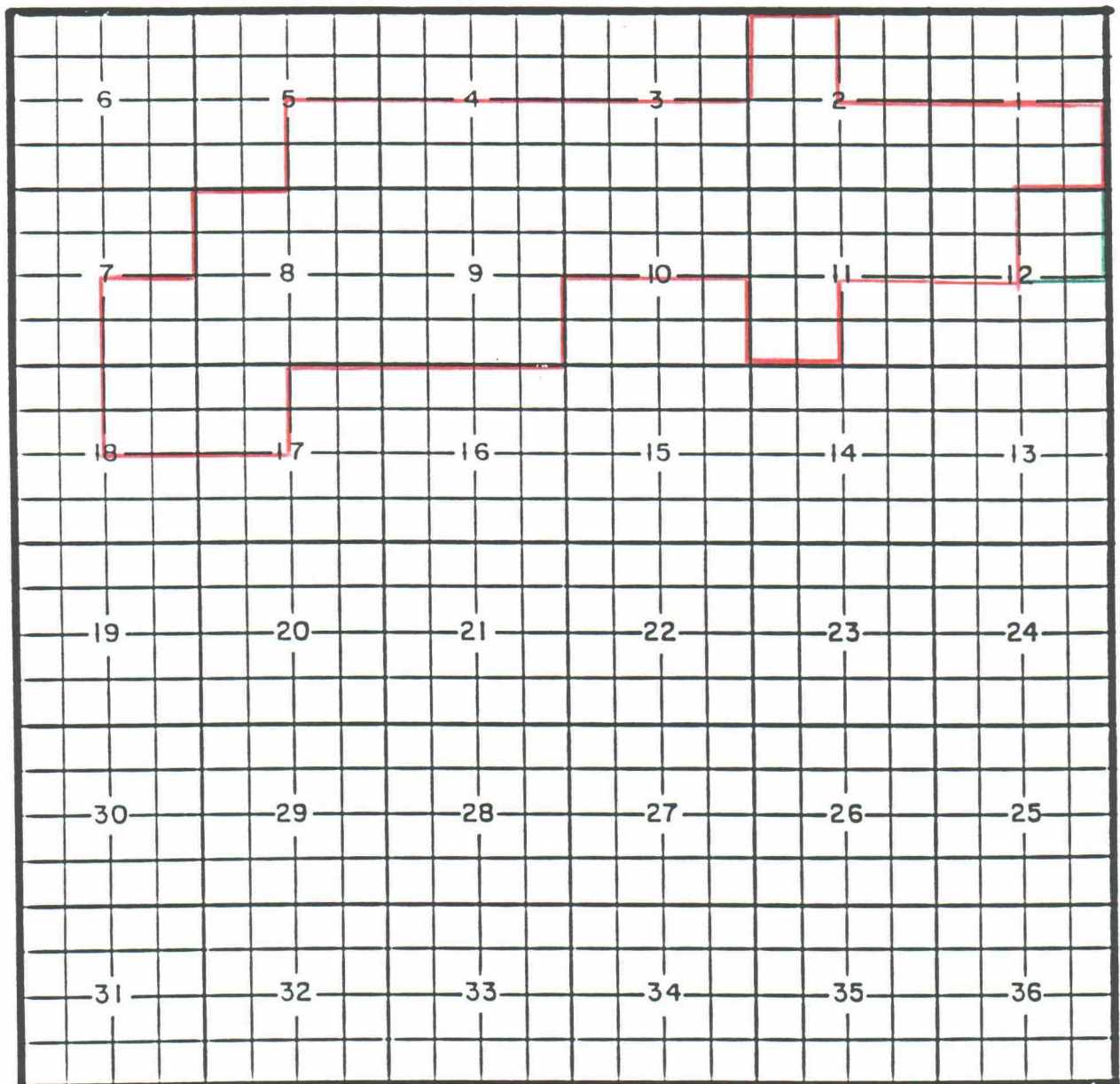
Mobil Producing TX & NM Inc. State Sec 17 Com Well No. 3 located in Unit K of Section 17, Township 17 South, Range 35 East, NMPM. It was completed May 25, 1989, in the Atoka formation. The top of the perforations is at 11,972 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 17: S/2

COUNTY LEA POOL NORTH YOUNG-BONE SPRING

TOWNSHIP 18 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

Harvey E. Yates Company Chevron 12 Federal Well No. 3 located in Unit B of Section 12, Township 18 South, Range 32 East, NMPM. It was completed June 8, 1989, in the bone Spring formation. The top of the perforations is at 8,470 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 12: NE/4

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9741
ORDER NO. R-8981

This cause came on for hearing at 8:15 AM August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of August, 1989, the Division Director having considered the testimony, the record, the recommendations of the Examiner, and being fully advised in the premises:

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of the cause and subject matter thereof.

(2) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation. Said pool to bear the designation of North Gem-Wolfcamp Pool. Said North Gem-Wolfcamp pool was discovered by the Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. It was completed June 13, 1989, in the Wolfcamp formation. The top of the perforations is at 11,353 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation. Said pool to bear the designation of East Lane-Abo Pool. Said East Lane-Abo Pool was discovered by the Petroleum Prod. Mgt Inc. State 8 Well No. 1 located in Unit A of Section 8, Township 10 South, Range 34 East, NMPM. It was completed April 30, 1989, in the Abo formation. The top of the perforations is at 9,000 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation. Said pool to bear the designation of Lane-San Andres Pool. Said Lane-San Andres Pool was discovered by the Petroleum Prod Mgt, Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. It was completed April 18, 1989, in the San Andres formation. The top of the perforations is at 4,521 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation. Said pool to bear the designation of the North Teague-Abo Pool. Said North Teague-Abo Pool was discovered by the American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. It was completed March 16, 1989, in the Abo formation. The top of the perforations is at 6,718 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation. Said pool to bear the designation of North Young-Wolfcamp Pool. Said North Young-Wolfcamp Pool was discovered by the Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. It was completed June 23, 1989, in the Wolfcamp formation. The top of the perforations is at 10,458 feet.

(7) That there is need for the contraction of the East Caprock-Wolfcamp Pool in Lea County, New Mexico, in order to correct the overlap with the North Bagley-Permo Pennsylvanian Pool and to delete acreage which is non-productive in the Wolfcamp formation.

(8) That there is need for extensions to the North Bagley-Permo Pennsylvanian Pool, the Bishop Canyon-Queen Pool, the Grama Ridge-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Lovington-Wolfcamp Pool, the West Lusk-Delaware Pool, the Querecho Plains-Upper Bone Spring Pool, the Reeves-Queen Pool, the Shipp-Strawn Pool, the Teague-Blinbry Pool, the West Tonto-Bone Spring Pool, the Tulk-Wolfcamp Pool, North Vacuum Atoka-Morrow Gas Pool and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Gem-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the East Lane-Abo Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

(c) That a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the Lane-San Andres Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 1: NW/4

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the North Teague-Abo Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Young-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SW/4

(f) That the East Caprock-Wolfcamp Pool in Lea County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 1: E/2, NW/4, E/2 SW/4, and SW/4 SW/4

(g) That the North Bagley-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 1: E/2 SW/4 and SW/4 SW/4

(h) That the Bishop Canyon-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 11: N/2

(i) That the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/4

Section 16: N/2

(j) That the Hare-San Andres Gas Pool in Lea County, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

(k) That the Lovington-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 24: S/2

(l) That the West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 16: SW/4

(m) That the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 24: NW/4

(n) That the Reeves-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 21: SE/4

(o) That the Shipp-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 12: NW/4

(p) That the Teague-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

(q) That the West Tonto-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(r) That the Tulk-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

(s) That the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico as heretofore classified defined and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

(t) That the North Young-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

IT IS FURTHER ORDERED:

(1) That pursuant to Section 70-2-18, contained in Chapter 271, Laws of 1969, any well which by virtue of any of the pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Form C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall received a maximum 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 shall subject the well to cancellation of the allowable.

(2) The effective date of this order and all creations, contractions and extensions shall be September 1, 1989.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
DIRECTOR

S E A L

AUG 18 1989

OIL CONSERVATION DIV.
SANTA FE

NEW POOLS

It is recommended that a new OIL pool be created and designated as the North Gem-Wolfcamp Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: As outlined in Paragraph (a) Exhibit I

Discovery well was Oryx Energy Company Hudson Federal Well No. 1 located in Unit G Section 17 Township 19 Range 33 and was completed on June 13, 1989. Top of perforations is at 11,353 feet.

It is recommended that a new oil pool be created and designated as the East Lane-Abo Pool.

Vertical limits to be the Abo formation and the horizontal limits should be as follows: As outlined in Paragraph (b) Exhibit I

Discovery well was Petroleum Production Mgt. Inc. State 8 Well No. 1 located in Unit A Section 8 Township 10 Range 34 and was completed on April 30, 1989. Top of perforations is at 9,000 feet.

It is recommended that a new oil pool be created and designated as the Lane-San Andres Pool.

Vertical limits to be the San Andres formation and the horizontal limits should be as follows: As outlined in Paragraph (c) Exhibit I

Discovery well was Petroleum Production Mgt Inc. Lane B Well No. 3 located in Unit C Section 1 Township 10 Range 33 and was completed on April 18, 1989. Top of perforations is at 4,521 feet.

NEW POOLS

It is recommended that a new oil pool be created and designated as the North Teague-Abo Pool.

Vertical limits to be the Abo formation and the horizontal limits should be as follows: As outlined in Paragraph (d) Exhibit I

Discovery well was American Exploration Company Elk State Well No. 1 located in Unit N Section 16 Township 23 Range 37 and was completed on March 16, 1989. Top of perforations is at 6,718 feet.

It is recommended that a new oil pool be created and designated as the North Young-Wolfcamp Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: As outlined in Paragraph (e) Exhibit I

Discovery well was Meridian Oil Inc. Federal AF Well No. 2 located in Unit N Section 8 Township 18 Range 32 and was completed on June 23, 1989. Top of perforations is at 10,458 feet.

It is recommended that a new _____ pool be created and designated as the _____ Pool.

Vertical limits to be the _____ formation and the horizontal limits should be as follows: _____

Discovery well was _____ located in Unit _____ Section _____ Township _____ Range _____ and was completed on _____ . Top of perforations is at _____ feet.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9741
ORDER NO. 4-8981

This cause came on for hearing at 8:15 AM August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of August, 1989, the Division Director having considered the testimony, the record, the recommendations of the Examiner, and being fully advised in the premises:

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of the cause and subject matter thereof.

(2) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation. Said pool to bear the designation of North Gem-Wolfcamp Pool. Said North Gem-Wolfcamp pool was discovered by the Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. It was completed June 13, 1989, in the Wolfcamp formation. The top of the perforations is at 11,353 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation. Said pool to bear the designation of East Lane-Abo Pool. Said East Lane-Abo Pool was discovered by the Petroleum Prod. Mgt Inc. State 8 Well No. 1 located in Unit A of Section 8, Township 10 South, Range 34 East, NMPM. It was completed April 30, 1989, in the Abo formation. The top of the perforations is at 9,000 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation. Said pool to bear the designation of Lane-San Andres Pool. Said Lane-San Andres Pool was discovered by the Petroleum Prod Mgt, Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. It was completed April 18, 1989, in the San Andres formation. The top of the perforations is at 4,521 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation. Said pool to bear the designation of the North Teague-Abo Pool. Said North Teague-Abo Pool was discovered by the American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. It was completed March 16, 1989, in the Abo formation. The top of the perforations is at 6,718 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation. Said pool to bear the designation of North Young-Wolfcamp Pool. Said North Young-Wolfcamp Pool was discovered by the Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. It was completed June 23, 1989, in the Wolfcamp formation. The top of the perforations is at 10,458 feet.

(7) That there is need for the contraction of the East Caprock-Wolfcamp Pool in Lea County, New Mexico, in order to correct the overlap with the North Bagley-Permo Pennsylvanian Pool and to delete acreage which is non-productive in the Wolfcamp formation.

(8) That there is need for extensions to the North Bagley-Permo Pennsylvanian Pool, the Bishop Canyon-Queen Pool, the Grama Ridge-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Lovington-Wolfcamp Pool, the West Lusk-Delaware Pool, the Querecho Plains-Upper Bone Spring Pool, the Reeves-Queen Pool, the Shipp-Strawn Pool, the Teague-Blinebry Pool, the West Tonto-Bone Spring Pool, the Tulk-Wolfcamp Pool, North Vacuum Atoka-Morrow Gas Pool and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Gem-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the East Lane-Abo Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

(c) That a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the Lane-San Andres Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 1: NW/4

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the North Teague-Abo Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the North Young-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SW/4

(f) That the East Caprock-Wolfcamp Pool in Lea County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 1: E/2, NW/4, E/2 SW/4, and SW/4 SW/4

(g) That the North Bagley-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 1: E/2 SW/4 and SW/4 SW/4

(h) That the Bishop Canyon-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 11: N/2

(i) That the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/4

Section 16: N/2

(j) That the Hare-San Andres Gas Pool in Lea County, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

(k) That the Lovington-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 24: S/2

(l) That the West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 16: SW/4

(m) That the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 24: NW/4

(n) That the Reeves-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 21: SE/4

(o) That the Shipp-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 12: NW/4

(p) That the Teague-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

(q) That the West Tonto-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(r) That the Tulk-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

(s) That the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico as heretofore classified defined and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

(t) That the North Young-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

IT IS FURTHER ORDERED:

(1) That pursuant to Section 70-2-18, contained in Chapter 271, Laws of 1969, any well which by virtue of any of the pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Form C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall received a maximum 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 shall subject the well to cancellation of the allowable.

(2) The effective date of this order and all creations, contractions and extensions shall be September 1, 1989.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
DIRECTOR

S E A L