

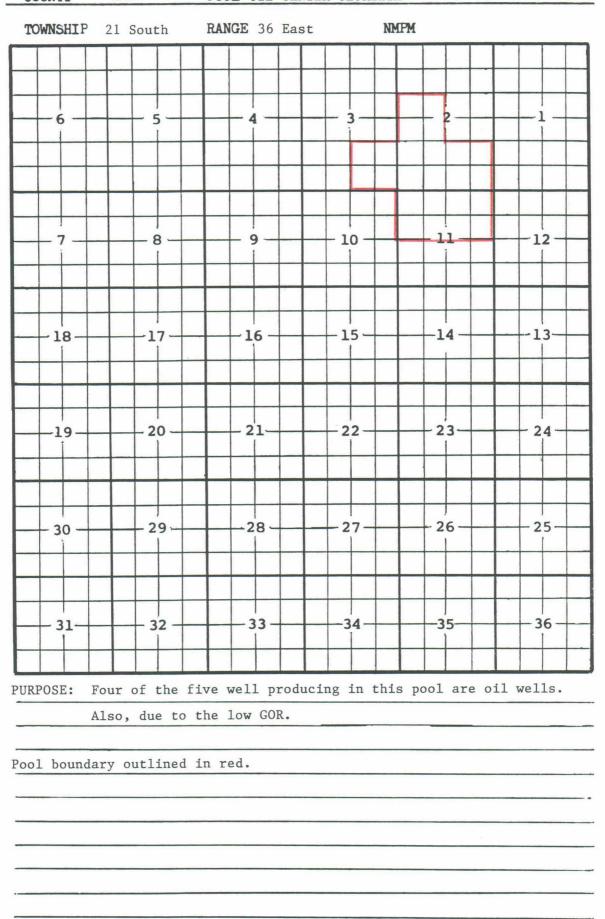
PURPOSE: One completed oil well capable of producing.

Mitchell Energy Corporation Federal SB Well No. 1 located in Unit J of Section

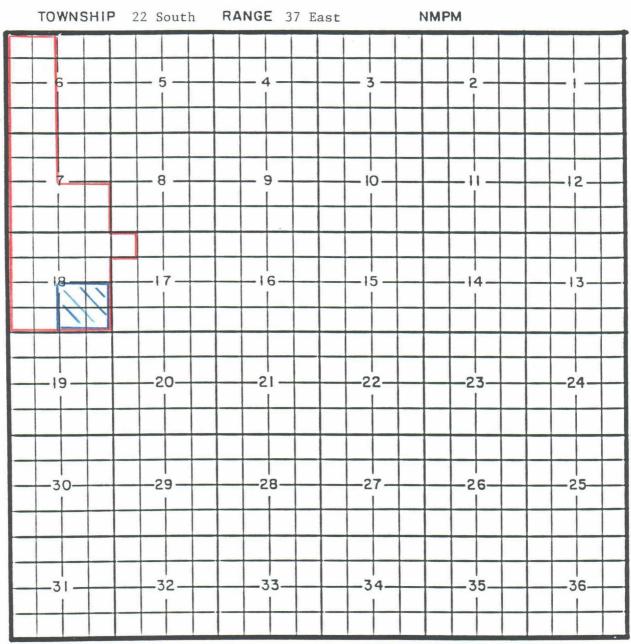
12, Township 19 South, Range 32 East, NMPM. It was completed April 4, 1989 in the Delaware formation. The top of the perforations is at 7,446 feet.

Proposed pool boundary outlined in red. Section 12: SE/4

POOL OIL CENTER-GLORIETA

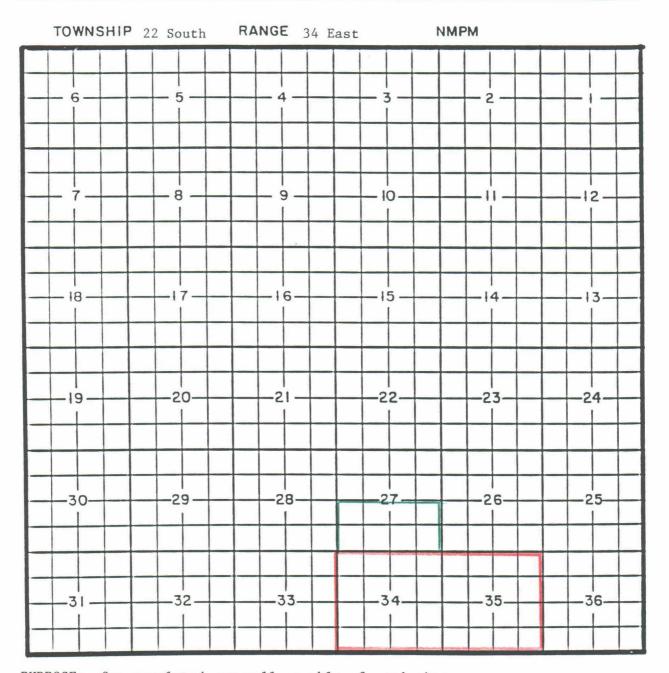


POOL ARROWHEAD-GRAYBURG



PURPOSE:	Non-	-product	cive f	rom o	only	the	Grayb	urg f	orma	tio	n.			
Pool boun	dary	outline	ed in	red.										
Proposed	pool	contrac	ction	out1	ined	in b	lue.	Sect	ion	18:	SE	/ 4		
		_												

POOL ANTELOPE RIDGE-ATOKA GAS



PURPOSE: One completed gas well capable of producing.

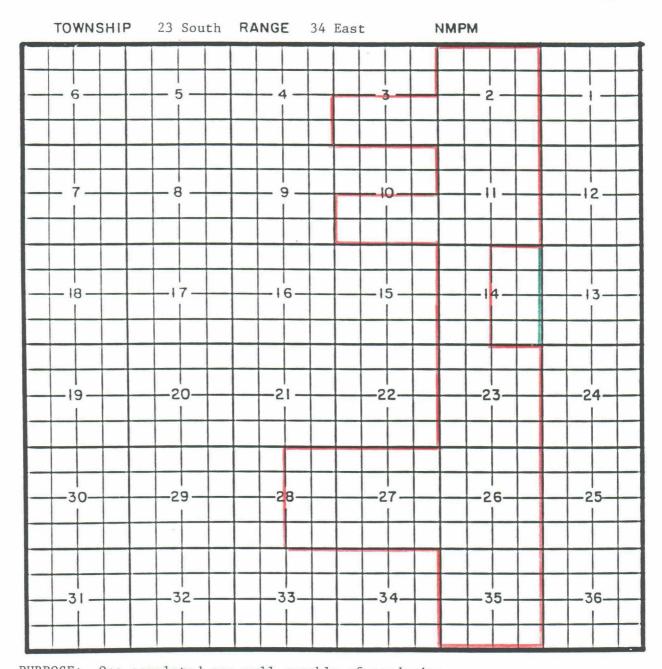
Oryx Energy Company Sun Federal Com Well No. 1 located in Unit O of Section 27,

Township 22 South, Range 34 East, NMPM. It was completed July 30, 1989, in the

Atoka formation. The top of the perforations is at 12,096 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 27: S/2



PURPOSE: One completed gas well capable of producing.

BTA Oil Producers Ridge 8006 JV-P Well No. 1 located in Unit J of Section 14,

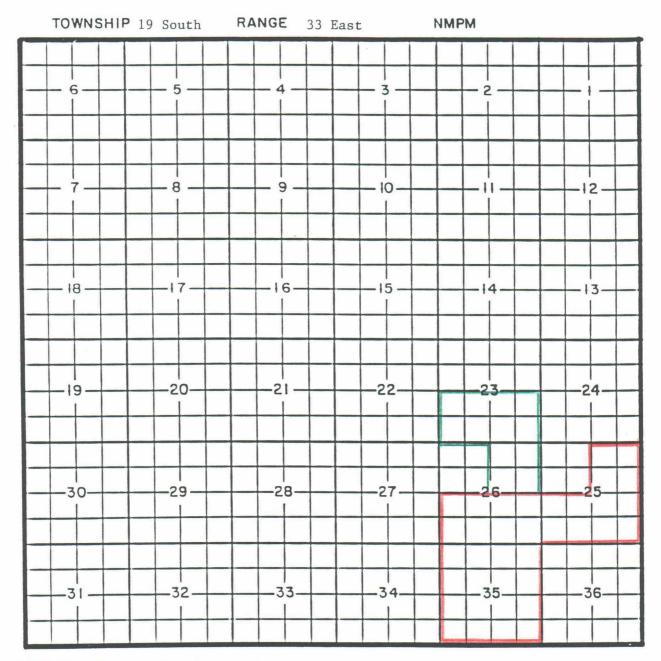
Township 23 South, Range 34 East, NMPM. It was completed August 25, 1989, in

the Atoka formation. The top of the perforations is at 12,137 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 14: E/2

POOL EAST GEM-MORROW GAS



PURPOSE: One completed gas well capable of producing.

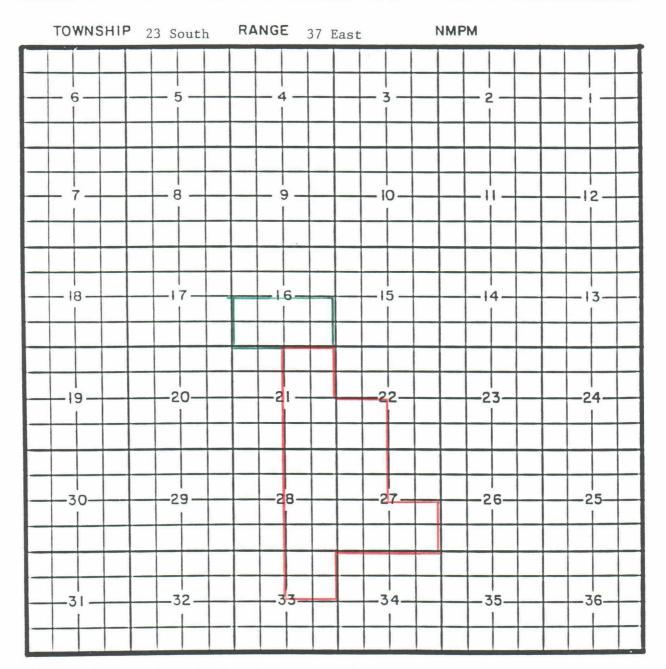
Mitchell Energy Corporation Sapphire Federal Well No. 1 located in Unit J of Section 23, Township 19 South, Range 33 East, NMPM. It was completed March 10, 1989, in the Morrow formation. The top of the perforations is at 13,226 feet.

Pool	boundary	outlined	in	red.		

Proposed pool extension outlined in green. Section 23: S/2

Section 26: NE/4

COUNTY LEA POOL IMPERIAL TUBB-DRINKARD



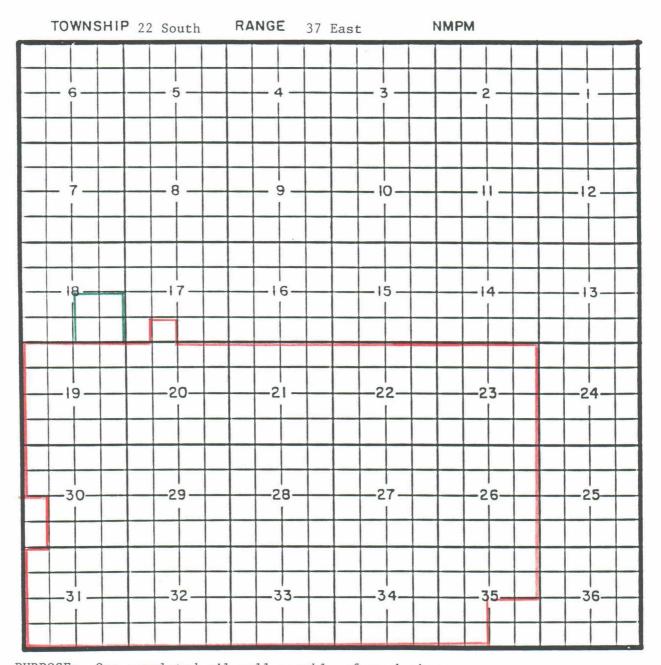
PURPOSE: One completed oil well capable of producing.

American Exploration Company Elk State Well No. 2 located in Unit M of Section 16, Township 23 South, Range 37 East, NMPM. It was completed April 27, 1989, in the Tubb formation. The top of the perforations is at 6,041 feet.

Pool	boundary	outlined	in	red.

Proposed pool extension outlined in green. Section 16: S/2

POOL LANGLIE MATTIX-SEVEN RIVERS-QUEEN-GRAYBURG



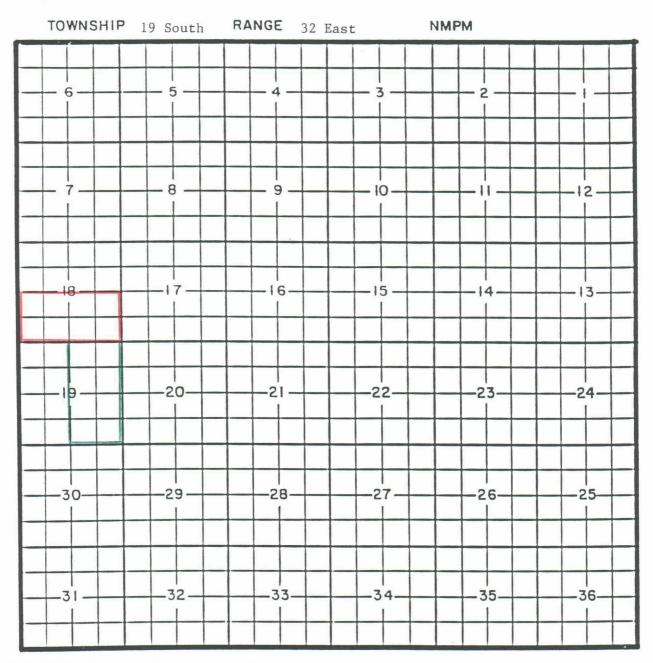
PURPOSE: One completed oil well capable of producing.

American Exploration Company New Mexico M State Well No. 1 located in Unit J of Section 18, Township 22 South, Range 37 East, NMPM. It was completed July 1, 1989, in the Grayburg formation. The top of the perforations is at 3,621 feet,

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 18: SE/4

COUNTY LEA POOL LUSK-ATOKA GAS



PURPOSE: One completed gas well capable of producing.

Phillips Petroleum Company Lusk Deep Unit A Well No. 5 located in Unit J of

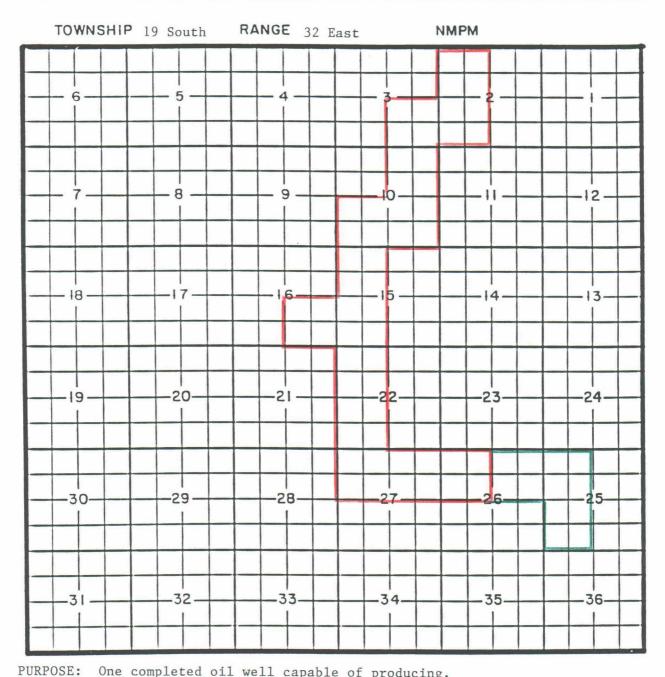
Section 19, Township 19 South, Range 32 East, NMPM. It was completed July 3,

1989, in the Atoka formation. The top of the perforations is at 11,656 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 19: E/2

POOL EAST LUSK-BONE SPRING

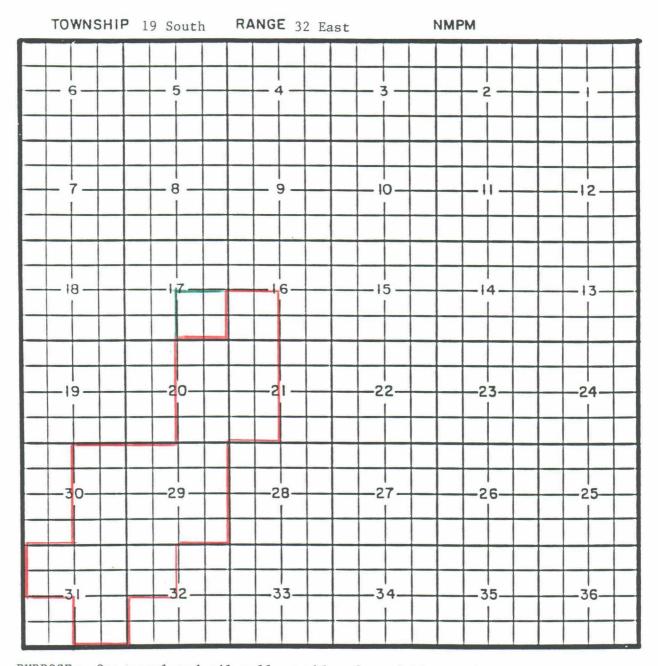


One completed oil well capable of producing.

Manzano Oil Corporation McKamey Federal Well No. 1Y located in Unit L of Section 25, Township 19 South, Range 32 East, NMPM. It was completed June 12. 1989, in the Bone Spring formation. The top of the perforations is at 9,680 feet.

Pool boun	dary	outlined :	in red.					
Proposed	poo1	extension	outlined	in	green.	Section	25:	W/2
						Section	26.	NE / /.

POOL WEST LUSK-DELAWARE



PURPOSE: One completed oil well capable of producing.

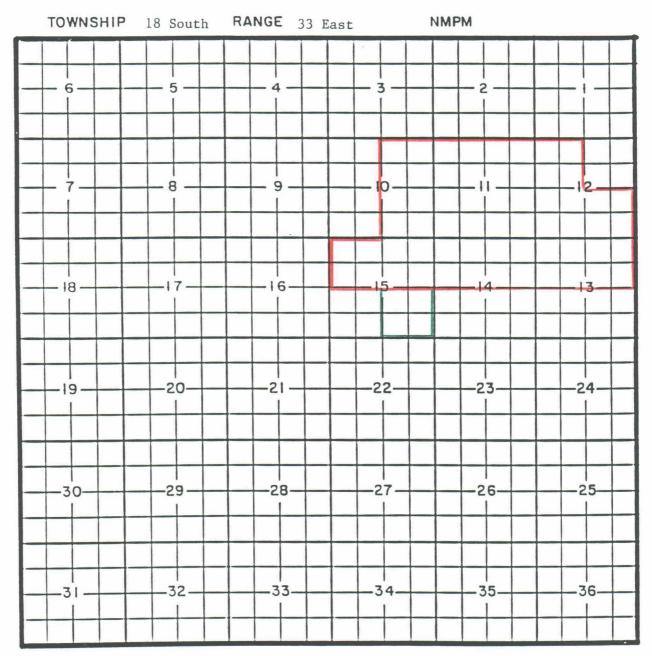
Yates Petroleum Corporation Aqueduct AGG Federal Well No. 1 located in Unit P of Section 17, Township 19 South, Range 32 East, NMPM. It was completed

July 18, 1989, in the Delaware formation. The top of the perforations is at 6,486 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 17: SE/4

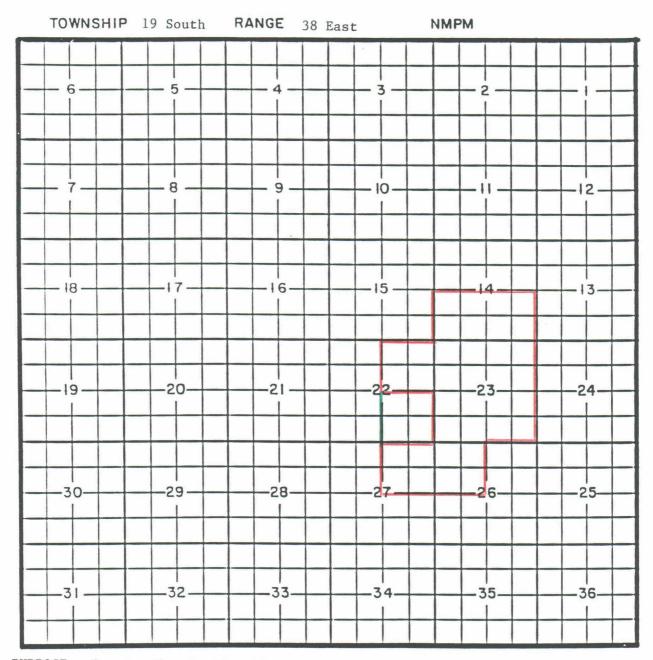
POOL MESCALERO ESCARPE-BONE SPRING



PURPOSE: One completed oil well capable of producing. Marathon Oil Company State E744-15 Well No. 1 located in Unit I of Section 15, Township 18 South, Range 33 East, NMPM. It was completed July 21, 1989, in the Bone Spring formation. The top of the perforations is at 8,626 feet. Pool boundary outlined in red.

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

POOL NADINE DRINKARD-ABO



PURPOSE: One completed oil well capable of producing.

LBO New Mexico Inc. Toni Well No. 2 located in Unit I of Section 22, Township

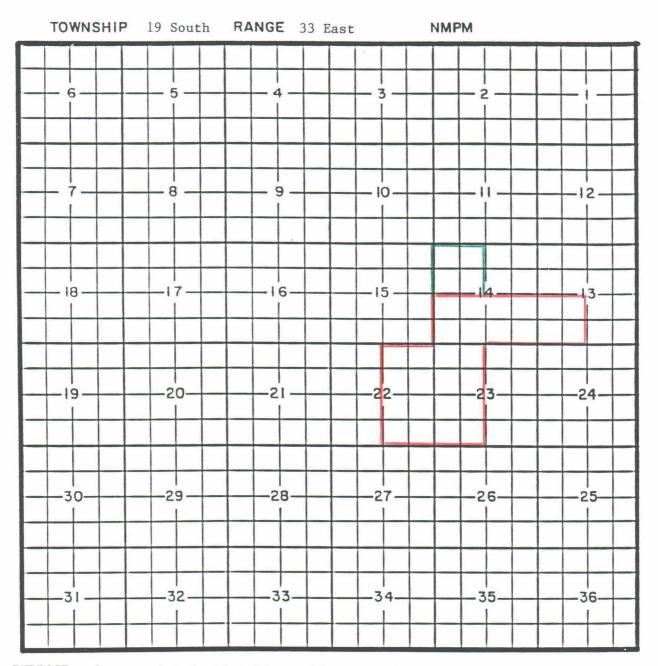
19 South, Range 38 East, NMPM. It was completed September 4, 1989, in the

Abo formation. The top of the perforations is at 7,140 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 22: SE/4

POOL TONTO-SEVEN RIVERS



PURPOSE: One completed oil well capable of producing.

Texaco producing Inc. Federal (USA) L Well No. 2 located in Unit F of Section 14,
Township 19 South, Range 33 East, NMPM. It was completed August 12, 1989, in
the Seven Rivers formation. The top of the perforations is at 3,679 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 14: NW/4

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVITION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9793 Order No. R-9038

THE APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER CREATING, RECLASSIFYING, REDESIGNATING, CONTRACTING, AND EXTENDING 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 November 1, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 8th day of November, 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 Delaware formation, said pool to bear the designation of West Tonto-Delaware Pool. Said West Tonto-Delaware Pool was discovered by the Mitchell Energy Corporation Federal SB Well No. 1 located in Unit J of Section 12, Township 19 South, Range 32 East, NMPM. It was completed in the Delaware formation on April 4, 1989. The top of the perforations is at 7,446 feet.
- (3) There is need for the reclassification of the Oil Center-Glorieta Gas Pool as an oil pool because of low GOR's and the majority of the producing wells in said pool are oil wells. There is also need for the redesignation of said pool as the Oil Center-Glorieta Oil Pool.

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- (4) There is need for the contraction of the Arrowhead-Grayburg Pool in Lea County, New Mexico, in order to delete the non-productive acreage in the Grayburg formation.
- (5) There is need for certain extensions to the Antelope Ridge-Atoka Gas Pool, the East Gem-Morrow Gas Pool, the Imperial Tubb-Drinkard Pool, the Langlie Mattix Seven Rivers-Queen-Grayburg Pool, the Lusk-Atoka Gas Pool, the East Lusk-Bone Spring Pool, the West Lusk-Delaware Pool, the Mescalero Escarpe-Bone Spring Pool, the Nadine Drinkard-Abo Pool, and the Tonto-Seven Rivers 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 Delaware production is hereby created and designated as the West Tonto-Delaware Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 12: SE/4

- (b) The Oil Center-Glorieta Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby reclassified as an oil pool and redesignated as the Oil Center-Glorieta Oil Pool.
- (c) The Arrowhead-Grayburg Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 18: SE/4

(d) The Antelope Ridge-Atoka 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 27: S/2

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 14: E/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM Section 23: S/2

Section 26: NE/4

(f) The Imperial Tubb-Drinkard 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 16: S/2

(g) The Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM Section 18: SE/4

(h) The Lusk-Atoka Gas 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 19: E/2

(i) The East Lusk-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 25: W/2

Section 25: W/2 Section 26: NE/4

(j) 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 17: SE/4

(k) The Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 15: SE/4

(1) The Nadine Drinkard-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM Section 22: SE/4

(m) The Tonto-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM Section 14: NW/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, reclassifications, redesignations, contractions, and extensions included herein shall be December 1, 1989.

DONE at Santa Fe, New Mexico, on the day and year herei

STATE OF NEW MEXICO
OIL CONSERVATION PAIVISION

WILLIAM J. LEMAY

Director