It is recommended that a new gas pool be created and designated as the Bandana Point-Strawn Gas Pool.

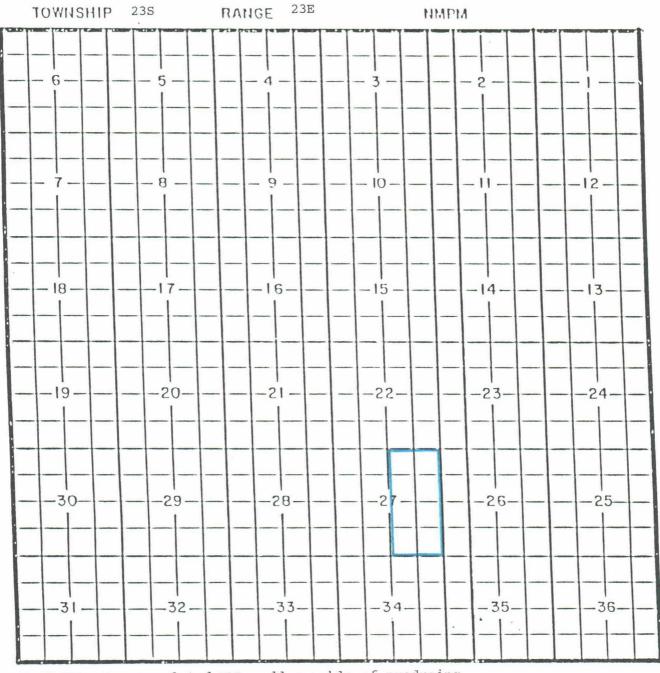
Vertical limits to be the Strawn formation and the horizontal limits should be as follows: Section 27: E/2.

Discovery well was Yates Energy Corp., Desert Rose Fed. #1 located in Unit I Section 27, Township 23 South, Range 23 East and was completed on November 11, 1989. Top of perforations is at 8772 feet.

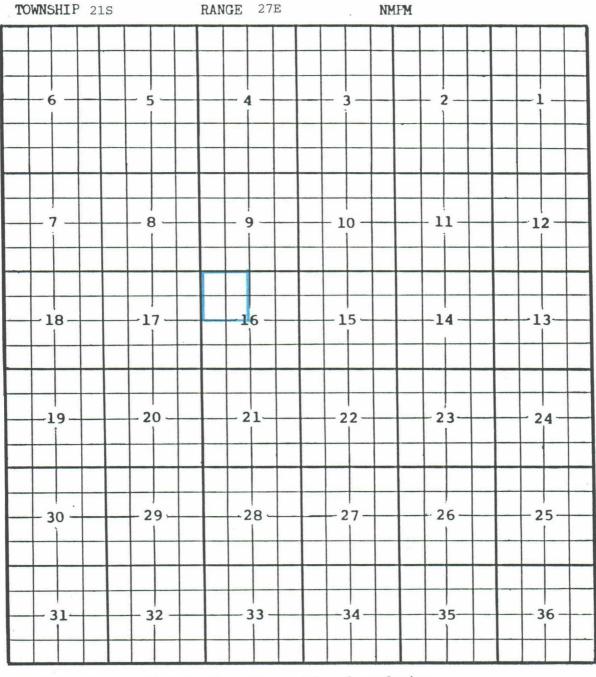
It is recommended that a new oil pool be created and designated as the La Huerta-Delaware Pool.

Vertical limits to be the Delaware formation and the horizontal limits should be as follows: Section 16: NW/4.

Discovery well was Ray Westall, Myrtle Myra #1 located in Unit C Section 16, Township 21 South, Range 27 East and was completed on November 13, 1989. Top of perforations is at 4973 feet.



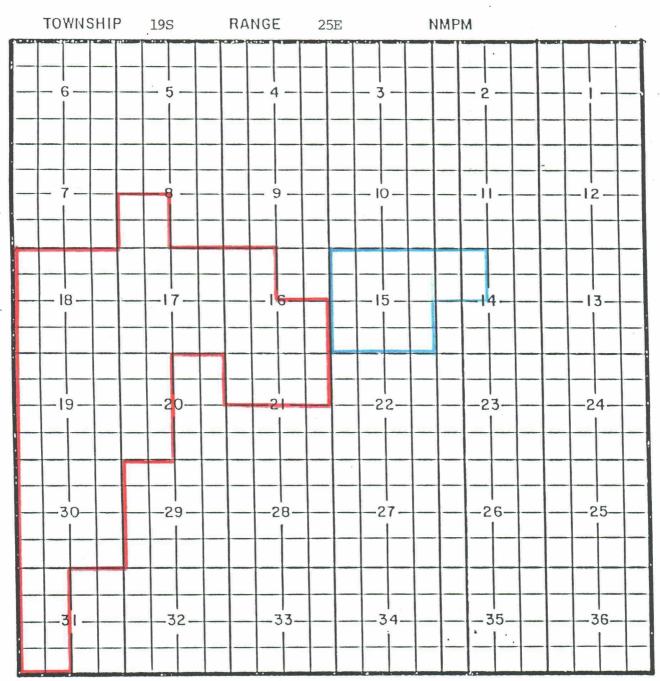
Disc.	Well:	Yates Er	nergy	Corp.,	Desert :	Rose Fed.	#1-I-27-23-23	
	Comp:	11-9-89	thru	Strawn	perfs 8	772-8816		
-			W- 0					
Propo	sed poo	ol bounda	ry ou	tlined	in blue			



PURPOSE: One completed oil well capable of producing. Disc. Well: Ray Westall, Myrtle Myra #1-C-16-21-27 Comp: 11-13-89 thru Delaware perfs 4973-5002 Proposed pool boundary outlined in blue. Section 16:NW/4

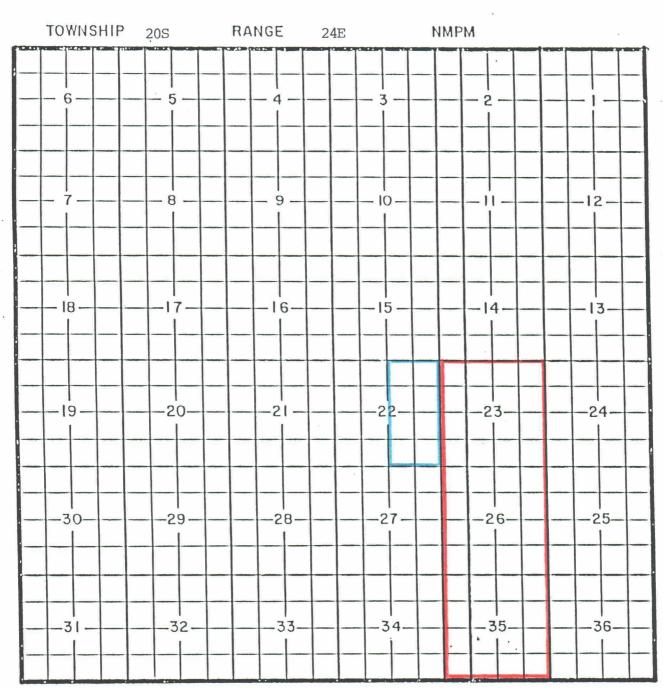
OPERAT	OR	LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOP					
OXY USA	Inc.	Government AN	1-C	3-20-28	9-25-89	Wolfcamp	8947					
					****							
-												
	Pool	Pool Boundary outlined in red.										
۰,	Prop	osed extension out	lined in	n blue.								
,		Section 3: W/2										
,					***							

OPERATOR		LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOP				
Meridian C	il, Inc.	Bird Com	1-G	12-23-27	11-1-89	Wolfcamp	9976				
						26					
	Pool Boundary outlined in red.										
		extension out		blue.							
	Section	11: E/2									
	Section 12: N/2										

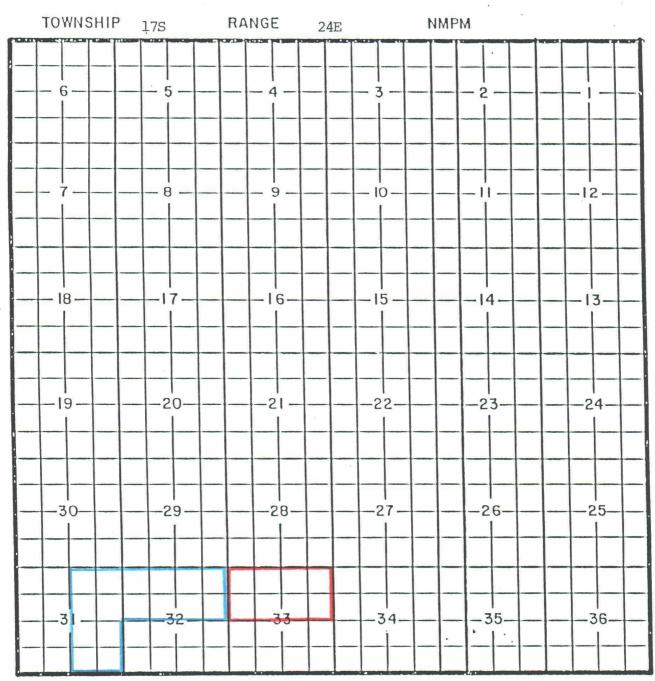


PURPOSE: One completed oil well capable of producing.

OPERAT	OR	LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOP
Yates Pe	t. Corp.	Cotton MX Fed.	1-C	14-19-25	12-2-89	Canyon	7689
-							
-	Pool Bou	ndary outlined	in red.				
	Proposed	extension outl	ined in	blue.			
		Section 14:	NW/4				
_		Section 15:	All			**************************************	
_							



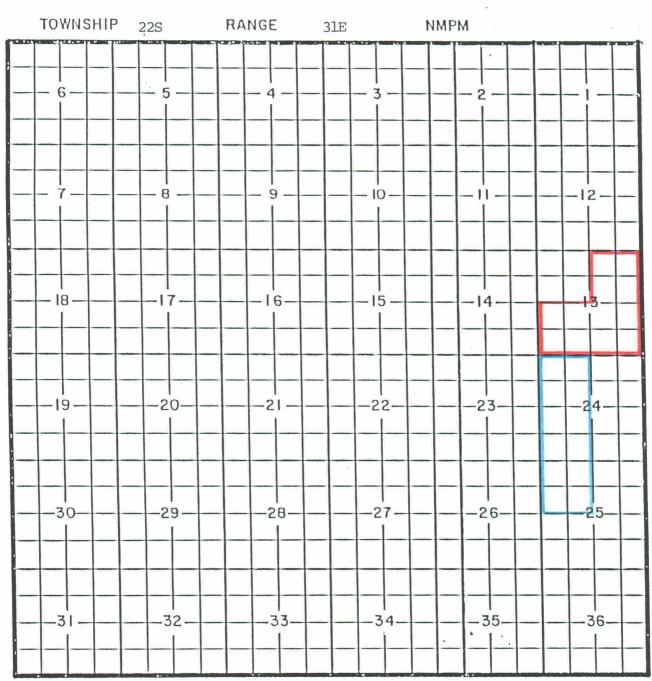
TOP	FORMATION	COMP.	S-T-R	#-UT.	LEASE	TOR	OPERATOR					
7609	Canyon	9-30-89	22-20-24	1-1	Carl TP Com	Pet. Corp.	Yates					
	Pool Boundary outlined in red.											
	Proposed extension outlined in blue.											
				/2	Section 22: E							



PURPOSE: One completed gas well capable of producing.

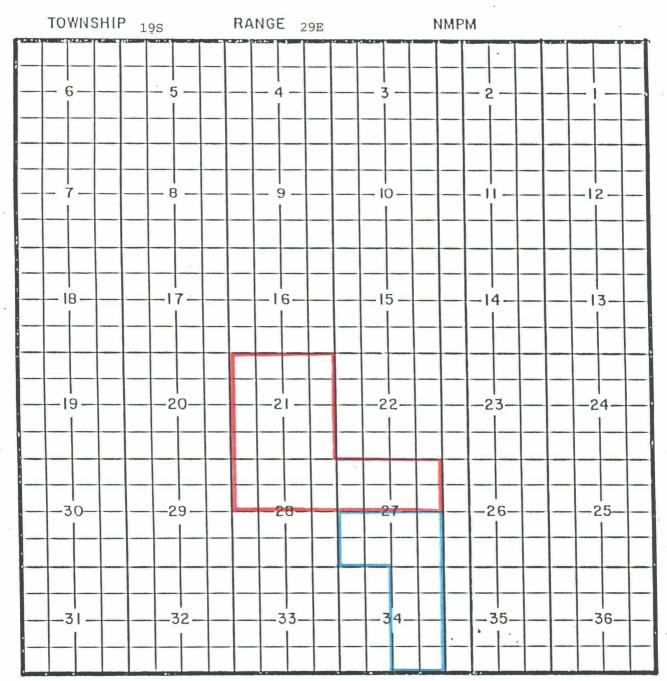
OPERATOR	LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOI				
Kaiser-Francis Oil	Catclaw State	1-G	31-17-24	10-20-88	Morrow	7467'				
S-21-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1										
	***************************************									
Pool Bound	Pool Boundary outlined in red.									
	Proposed extension outlined in blue.									
Proposed e	extension outl	THEU II.	Diuc.							
Proposed (	Section 31:		Dide.							

COUNTY



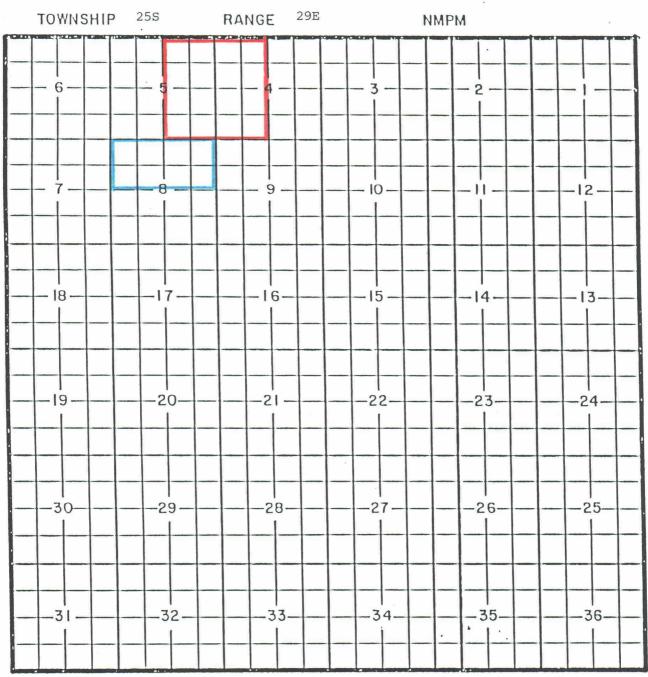
One completed oil well capable of producing. PURPOSE:

OPERATOR	LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOP					
Pogo Prod. Co	. Federal Neff	1-C	25-22-31	10-22-89	Delaware	7080					
-											
Pool	Pool Boundary outlined in red.										
Prop	osed extension out	lined in	blue.								
	Section 25	: NW/4									
	Section 24	: W/2			1						
	35										

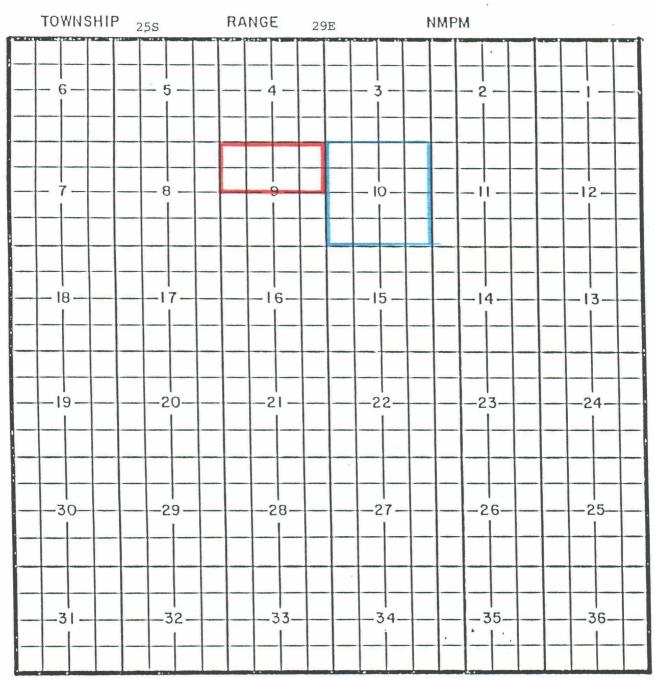


PURPOSE: One completed gas well capable of producing.

TOP	FORMATION	COMP.	S-T-R	#-UT.	LEASE	OPERATOR		
10,81	Atoka	11-29-89	34-19-29	8-G	Osage Fed.	l <u>&amp; Gas</u>		
						***************************************		
ool Boundary outlined in red.								
			blue.	tlined in	sed extension ou	Propo		
	х				ion 34: E/2	Sect		
					ion 27: S/2	Sect		



		#	LEASE				PERATOR	
8 Fed. 1-A 8-25-29 9-15-88 Atoka 12,394		Fed. 1	Exxon 8	11	Stovall	&	is,Boyle	
							-	
						-		
lined in red.	in red.	ed in	ry outli	dar	1 Bounda	ol	Po	
on outlined in blue.	in b	utlin	tension (	ext	posed ex	op	P	
	Section 8: N/2							



One completed gas well capable of producing. PURPOSE:

OPERAT	OPERATOR		#-UT.	S-T-R	COMP.	FORMATION	TOP				
Bettis,Boyle	& Stoval	l Pickett Dra	w Fed 2-N	10-25-29	9-15-88	Morrow	13,25				
_	Pool Boundary outlined in red.										
_	Proposed extension outlined in blue.										
	Section 10:ALL										

235 31E TOWNSHIP RANGE **NMPM** 5 . 2 -8 -10--12-9 --11-- 18 15 --14--13 -19 20--21. -22--23-24-30--29-28 27-26-25--31 -32-33. 34. -35-36-One completed gas well capable of producing. PURPOSE: OPERATOR LEASE #-UT. S-T-R COMP. FORMATION TOP Santa Fe Energy Pure Gold C-17 Fed. 2-G 17-23-31 12-19-89 Atoka 13,348 Pool Boundary outlined in red. Proposed extension outlined in blue. Section 17: N/2

POUL West Sand Dunes-Atoka Gas Pool

COOMII

OPERATOR	LEASE	#-UT.	S-T-R	COMP.	FORMATION	TOP					
Неусо	Arco 5 Fed.	1-E	5-18-31	11-8-89	Bone Spring	8,017					
-											
Pool E	Pool Boundary outlined in red.										
Propos	sed extension out	lined in	blue.								
Secti	Section 5: NW/4										

ckets Nos. 9-90 and 10-90 are tentatively set for March 21, 1990 and April 4, 1990. Applications for hearing must be filed at least 2 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 7, 1990 8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM. STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for April, 1990, from fourteen prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

#### CASE 9732: (Reopened and Readvertised)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 401.20-acre non-standard gas spacing and proration unit comprising Lots 1, 2, 8, 9, 10 and 11, N/2 SE/4, and the SE/4 SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the existing Allison Unit Well No. 103 located at a standard coal gas well location 1795 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10, which is approximately 1/2 mile southwest of Mile Corner No. 248 located on the Colorado/New Mexico state line. This case was originally heard at the August 23, 1989 hearing and was subsequently reopened at the October 4, 1989 hearing to correct an error in the subject well location; Order Nos. R-8995 and R-8995-A were issued as a result of both hearings. Due to inadvertence, the advertisement for both hearings and both orders contained an erroneous description of the non-standard gas proration unit. IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

Application of Merrion Oil & Gas Corporation for a waterflood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project on its Papers Wash Cooperative Agreement Unit Area underlying portions of Sections 15 and 16, Township 19 North, Range 5 West, by the injection of water into the Papers Wash-Entrada Oil Pool through the Navajo Allotted "15" Well No. 3 located 2310 feet from the South line and 2000 feet from the West line (Unit K) of said Section 15. Said project area is located approximately 22 miles northwest of San Luis, New Mexico.

CASE 9870: (Continued from February 21, 1990, Examiner Hearing.)

Application of Siete Oil & Gas Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Parkway-Bone Spring Pool including a provision for a limiting gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in Section 34, Township 19 South, Range 29 East and Sections 2 and 3, Township 20 South, Range 29 East, which is located approximately 5.5 miles north by west of the junction of U.S. Highway 62/180 and old New Mexico State Highway 31.

Application of Richmond Petroleum, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Federal 31-4-32 Well No. 2 to be drilled 1617 feet from the South line and 1939 feet from the West line (Unit K) of Section 32, Township 31 North, Range 4 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 32 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 10 miles south of Mile Corner No. 233 located on the New Mexico/Colorado Stateline.

CASE 9819: (Continued from February 21, 1990, Examiner Hearing.)

Application of Blackwood & Nichols Co., Ltd. for compulsory pooling and an unorthodox gas well location, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Fruitland formation underlying Lots 7 and 8, the S/2 NW/4, and the SW/4 of Section 4, Township 30 North, Range 7 West, in both San Juan and Rio Arriba Counties, forming a 319.38-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes the Basin-Fruitland Coal Gas Pool, to be dedicated to its Northeast Blanco Unit Well No. 424, to be drilled at an unorthodox coal gas well location 2075 feet from the North line and 1330 feet from the West line (Unit F) of said Section 4. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 3.5 miles north-northeast of the Navajo Reservoir Dam.

Application of Controlled Recovery, Inc. for an oil treating plant permit and for surface waste disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for construction and operation of the surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oil field related waste in unlined surface pits, at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East. This site is located on either side of U.S. Highway 62/180 at Mile Marker No. 66.

Application of BTA Oil Producers for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Pardue "C" 8808 JV-P Well No. 1 to be drilled 176 feet from the South line and 1550 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, to test the Undesignated East Loving-Delaware Pool, the SE/4 SW/4 of said Section 11 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 1/4 mile southwest of the Harroun Dam.

CASE 9873: (Continued from February 21, 1990, Examiner Hearing.)

> Application of Tahoe Energy, Inc. for an unorthodox gas well location, non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to redes gnate acreage in the Jalmat Gas Pool to form a non-standard 160-acre gas spacing and proration unit comprising the S/2 NW/4 and N/2 SW/4 of Section 12. Township 23 South, Range 36 East. Said unit is to be simultaneously dedicated to the existing King Gas Com "WN" Well No. 1 located at a standard gas well location 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 12 and to the proposed Cochise Well No. 1 to be drilled at an unorthodox gas well location 1980 feet from the North line and 1600 feet from the West line (Unit F) of said Section 12. Said unit is located approximately 14 miles north by west of Jal, New Mexico.

CASE 9878: (Readvertised)

> Application of Chevron USA Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the W/2 NE/4, SE/4 NE/4, and SE/4 NW/4 of Section 8. Township 20 South, Range 37 East, Eumont Gas Pool. Said unit is to be simultaneously dedicated to the Bertie Whitmire Well Nos. 1 and 2 located at standard gas well locations 1980 feet from the North and East lines (Unit G) and 660 feet from the North line and 1980 feet from the East line (Unit 8) of said Section 8, respectively. Said area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9884: Application of OXY USA, Inc. for compulsory pooling, non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool formation underlying the SE/4 of Section 5 and the NE/4 NE/4 of Section 8 all in Township 20 South, Range 37 East, forming a non-standard 200-acre gas spacing and proration unit for said pool, said unit to be simultaneously dedicated to the existing Laughlin "B" Well No. 5 located 330 feet from the South line and 2310 feet from the East line (Unit 0) of said Section 5, and to the plugged and abandoned Laughlin "B" Well No. 1 to be re-entered and recompleted in the Eumont at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 5. Also to be considered will be the cost of re-entering and recompleting the Laughlin "B" Well No. 1 and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the unit and a charge for risk involved in the re-entering and recompletion of said well. Said unit is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9885: Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying either the SE/4 SW/4 of Section 5 and the E/2 W/2 of Section 8, Township 20 South, Range 37 East. forming a non-standard 200-acre gas spacing and proration unit for said pool, or IN THE ALTERNATIVE, the SE/4 SW/4 of said Section 5 and the N/2 NE/4, and NE/4 NW/4 of said Section 8, forming a non-standard 160-acre gas spacing and proration unit for said pool. In either instance the applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt "B-8" Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a second well to be drilled at a standard gas well location within the applicable nonstandard unit. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom its cost of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such infill well, plus an equitable and proper percentage of the value of the existing wellbore of said Britt "B-8" Well No. 1, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9886: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, establishing a discovery allowable, abolishing and extending certain pools in Eddy County, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Bandana Point-Strawn Gas Pool. The discovery well is the Yates Energy Desert Rose Fed. Well No. 1 located in Unit I of Section 27, Township 23 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM Section 27: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the La Huerta-Delaware Pool. The discovery well is the Ray Westall, Myrtle Myra Well No. 1 located in Unit C of Section 16, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 16: NW/4

In addition, a discovery allowable of 24,865 barrels of oil shall be assigned to this well. This amount is to be produced over a two-year period and is over and above the daily top allowable.

- (c) Abolish the Boyd-Canyon Pool in Eddy County, New Mexico, in order to place abolished acreage into the North Dagger Draw-Upper Pennsylvanian Pool.
- (d) Extend the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM Section 14: NW/4

Section 15: All

(e) Extend the North Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM Section 3: W/2

(f) Extend the Cass Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 11: E/2 Section 12: N/2

(g) Extend the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM Section 22: E/2

(h) Extend the South Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 31: E/2 Section 32: N/2

(j) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 24: W/2 Section 25: NW/4

(j) Extend the West Parkway-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 27: S/2 Section 34: E/2

(k) Extend the Rustler Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 8: N/2

(1) Extend the Rustler Bluff-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM Section 10: All

(m) Extend the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM Section 17: N/2

(n) Extend the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 5: NW/4

#### DOCKET: COMMISSION HEARING - THURSDAY - MARCH 15, 1990

## 9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

#### CASE 9018: (Reopened)

In the matter of Case 9018 being reopened pursuant to the provisions of Division Order No. R-8170-D, which Order amended Rule 11(b) of Order R-8170-A, in order to take evidence on the following:

- Whether larger overproduction limit in Northwest New Mexico established by Rule 11(b) as amended by Order R-8170-A is beneficial in preventing waste, and protecting correlative rights, while making the supply of gas available to meet interstate and intrastate demand.
- The reasons for pools being underproduced when many wells are overproduced and whether or not the amendment has any affect on that issue.
- 3. Any transition mechanism which should be adopted if the Commission determines that a return to the 6 times overproduced limit is appropriate.

NO TESTIMONY OR COMMENTS WILL BE TAKEN AT THIS TIME AND THE CASE WILL BE CONTINUED TO THE COMMISSION HEARING SCHEDULED FOR MAY 25, 1990. IN THE INTERVENING TIME COMMENTS AND SUGGESTIONS WILL BE ACCEPTED BY THE COMMISSION.

CASE 7042: (Continued from the November 24, 1981, Commission Hearing) (This Case will be dismissed)

In the matter of Case 7042 being reopened pursuant to the provisions of Order R-6659, which order continued indefinitely the application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. All interested parties may appear and present evidence relating to this matter.

CASE 8228: (De Novo) (Continued from November 7, 1984, Commission Hearing.) (This Case will be dismissed.)

Application of Doyle Hartman for Hardship Gas Well Classification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Langlie "A" State Well No. 3 located in Unit I of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

# '90 JAN 30 AM 9 26

### OIL CONSERVATION DIVISION DISTRICT II FEBRUARY

NOMENCLATURE ADVERTISEMENT FOR JANUARY, 1990

Create a new pool in Eddy County, New Mexico, classified as (A) gas pool for Strawn production and designated as the Bandana Point-Strawn Gas Pool. The discovery well is Yates Energy, Desert Rose Fed. 1 located in Unit I of Section 27, Township 23 South, Range 23 East, NMPM. Said pool would comprise:

> Township 23 South, Range 23 East, NMPMx Section 27: E/2

(B) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the La Huerta-Delaware, Pool. The discovery well is Ray Westall, Myrtle Myra #1 located in Unit C of Section 16, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

Township 21 South, Range 27 East, NMPM

Section 16: NW/4

In addition, a discovery allowable of 24,865 (barrels of oil shall be assigned to this well. This amount to be produced over a two-year period < 130 dayor and is over and above the daily top allowable.

Extend the North Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein: Township 20 South, Range 28 East, NMPM, E/2 SEC 3 R-5988 Section 3: 1-79 Section 3:4/2 W/2

Extend the Cass Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 27 East, NMPM,

Section 12: N/2 Section 11: E/2

Extend the North Dagger Draw-Upper Penn Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 25 East, NMPM

Section 14: NW/4 Section 15: All

Extend the South Dagger Draw-Upper Penn Associated Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 24 East, NMPM.

Section 22: E/2

Extend the South Eagle CreekyAtoka Morrow Gas Pool in Eddy <del>(8</del>) County, New Mexico, to include therein:

Township 17 South, Range 24 East, NMPM,

Section 31: E/2 Section 32: N/2

c on next

January 1990 (H) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein: Township 22 South, Range 31 East, NMPM Section 25: NW/4 Section 24: W/2 Extend the West Parkway-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Twonship 19 South, Range 29 East, NMPM: Section 34: E/2 Section 27: S/2 (x) Extend the Rusler Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein: Township 25 South, Range 29 East, NMPM Section 8: N/2 1 Extend the Rustler Bluff-Morrow Gas Pool in Eddy County, New (**\*K**) Mexico, to include therein: Township 25 South, Range 29 East, NMPM Section 10: All (E) Extend the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein: Township 23 South, Range 31 East, NMPM Section 17: N/2 (<del>M</del>) Extend the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein: Township 18 South, Range 31 East, NMPM, Section 5: NW/4 Abolish the Boyd-Canyon Pool in Eddy County, New Mexico, and place the acreage into the North Dagger Design place the acreage into the North Dagger Draw-Upper Pennsylvanian Pool.

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Page 2

Nomenclature Advertisement