

NOMENCLATURE CASE NO. 8791

EXHIBIT I

CASE 8791: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, correcting and extending certain pools in Lea County, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Hobbs Channel-Wolfcamp Pool. The discovery well is the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (b) CORRECT the location of the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, created by Order R-8075 to read as follows:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 22: E/2

- (c) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 22: W/2

- (d) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 21: NW/4

- (e) EXTEND the EK-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 25: NW/4

- (f) EXTEND the Hume-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 7: N/2

- (g) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 13: SE/4

Section 23: NW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 18: W/2

- (h) EXTEND the Haldaman-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 4: NW/4, N/2 SW/4, and SE/4 SW/4

Section 9: E/2 NW/4

- (i) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 13: NW/4

Section 14: N/2

- (j) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 10: SE/4

Section 15: NE/4

- (k) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 21: SE/4

- (l) EXTEND the Reeves-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 11: SE/4

- (m) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 10: NW/4

- n) EXTEND the North Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: NW/4

- o) EXTEND the Mid-Judson-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: W/2

- p) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 5: SE/4

Section 8: NE/4

NEW POOLS

It is recommended that a new oil pool be created and designated as the HOBBS CHANNEL-WOLFCAMP Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: T-17-S, R-37-E, Section 25: NW/4

Discovery well was Harvey E. Yates Company Howry 25 Well #1 located in Unit E Section 25 Township 17 Range 37 and was completed on 8/12/85. Top of perforations is at 10,054 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.

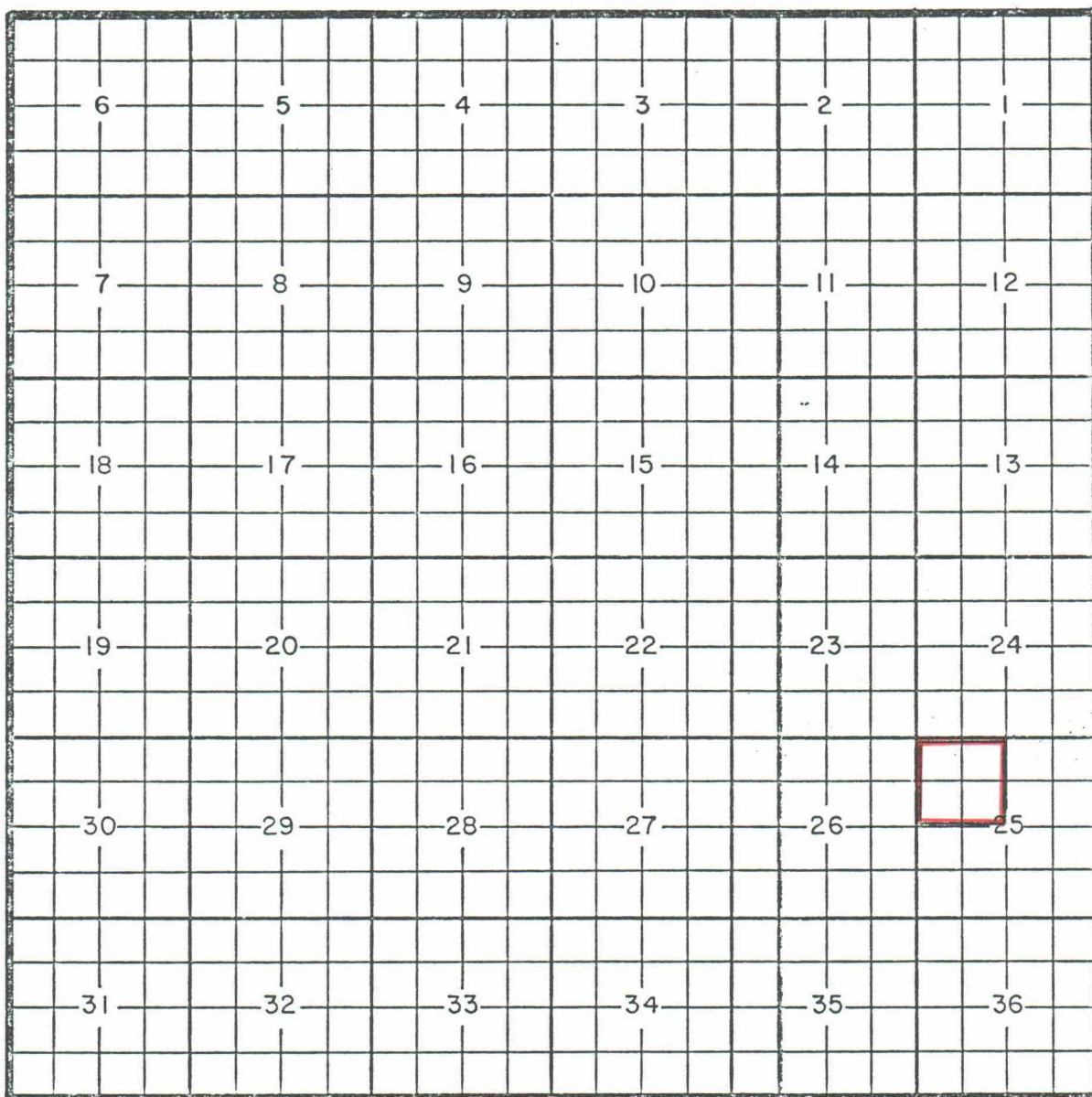
It is recommended that a new _____ pool be created and designated as the _____ Pool.

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.

COUNTY LEA POOL HOBBS CHANNEL-WOLFCAMP

TOWNSHIP 17 South RANGE 37 East NMPM



PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Havery E. Yates Company Howry 25 Well #1-E in Sec. 25,

T17S, R37E, completed August 12, 1985, in the Wolfcamp formation.

Top perf 10,054 feet.

Proposed pool boundary outlined in red. Section 25: NW/4

COUNTY LEA

POOL

JOHNSON RANCH WOLFCAMP GAS

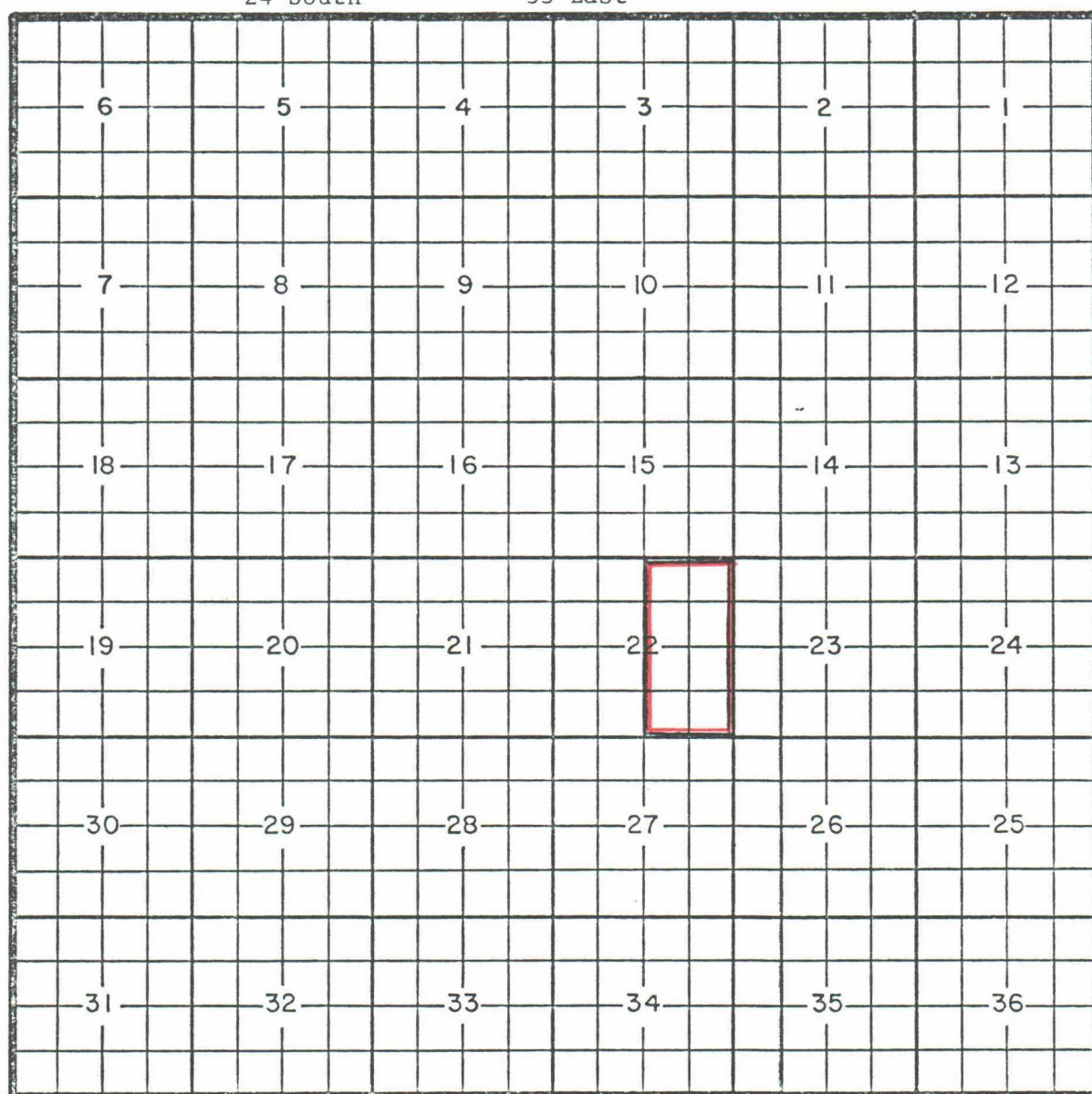
TOWNSHIP

24 South

RANGE

33 East

NMPM

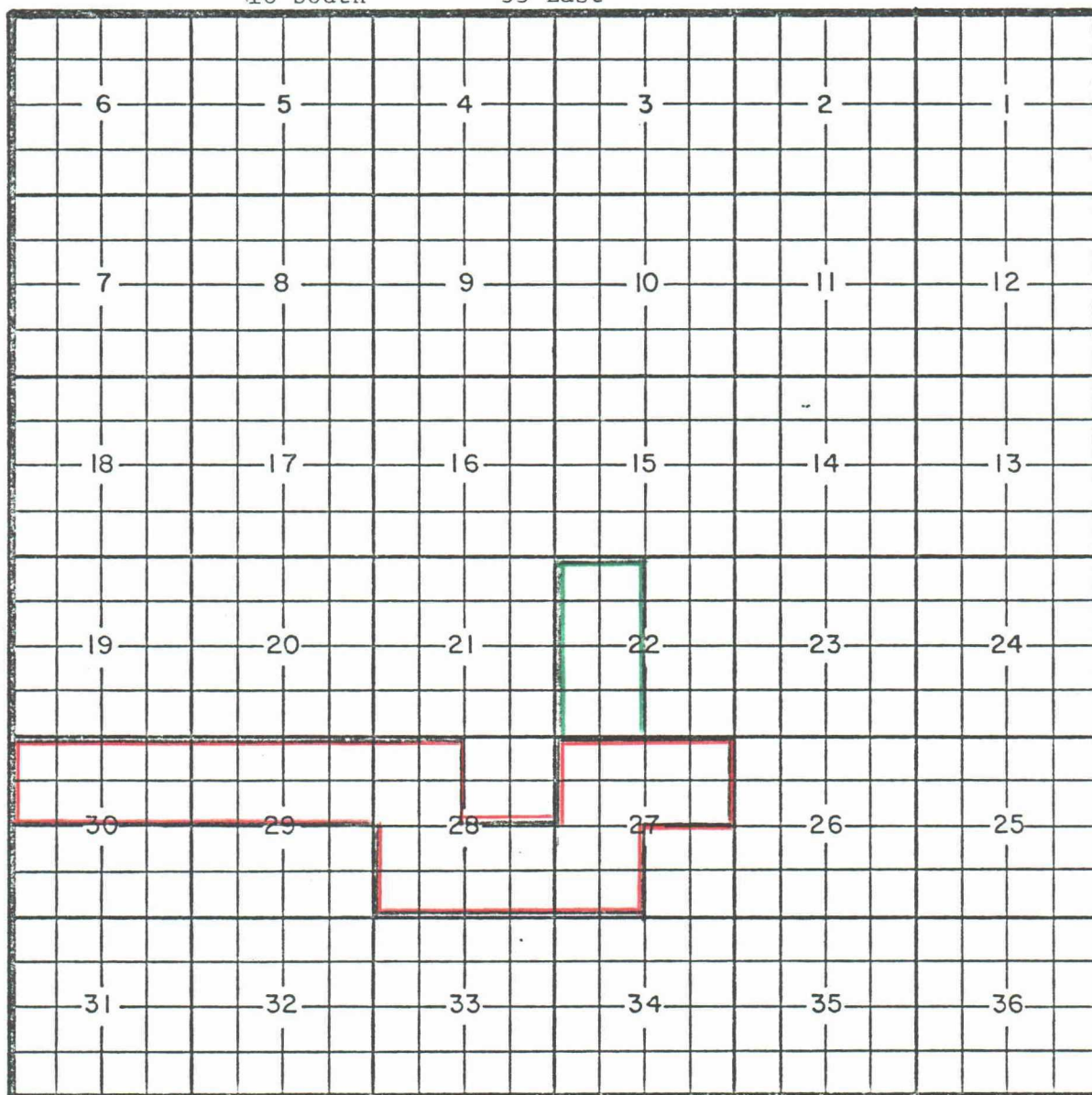


PURPOSE: Correct the location of the Johnson Ranch Wolfcamp Gas Pool
created by Order R-8747 from Range 32 to Range 33.

Pool boundary outlined in red. Section 22: E/2

COUNTY LEA POOL SOUTH CORBIN-STRAWN

TOWNSHIP 18 South RANGE 33 East NMPM



PURPOSE: One completed oil well capable of producing.

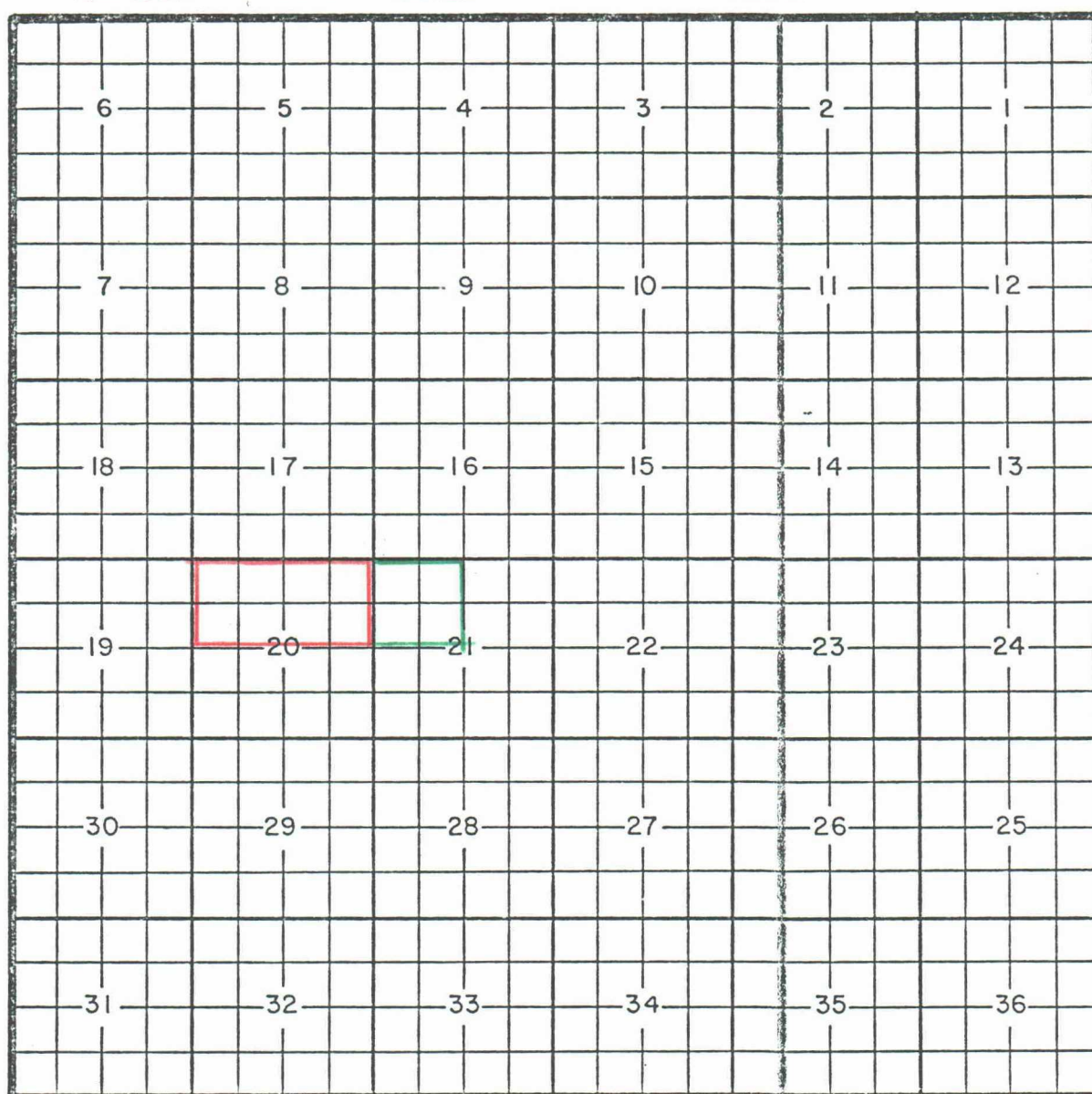
Southland Royalty Company Aztec 22 Federal #1-F in Sec 22, T18S, R33E, completed August 31, 1985, in the Strawn formation. Top perf 12,400 ft.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 22: W/2

COUNTY LEA POOL LOWER DOUBLE A-ABO

TOWNSHIP 17 South RANGE 36 East NMPM



PURPOSE: One completed oil well capable of producing.

BTA Oil Producers Turner 8408 JV-P Well #1-P in SEc 21, T17S, R36E,
completed 10/26/85 in the Abo formation. Top perf 9223 feet.

Pool boundary outlined in red.

Proposed pool boundary outlined in green. Section 21: NW/4

COUNTY LEA

POOL EK-BONE SPRING

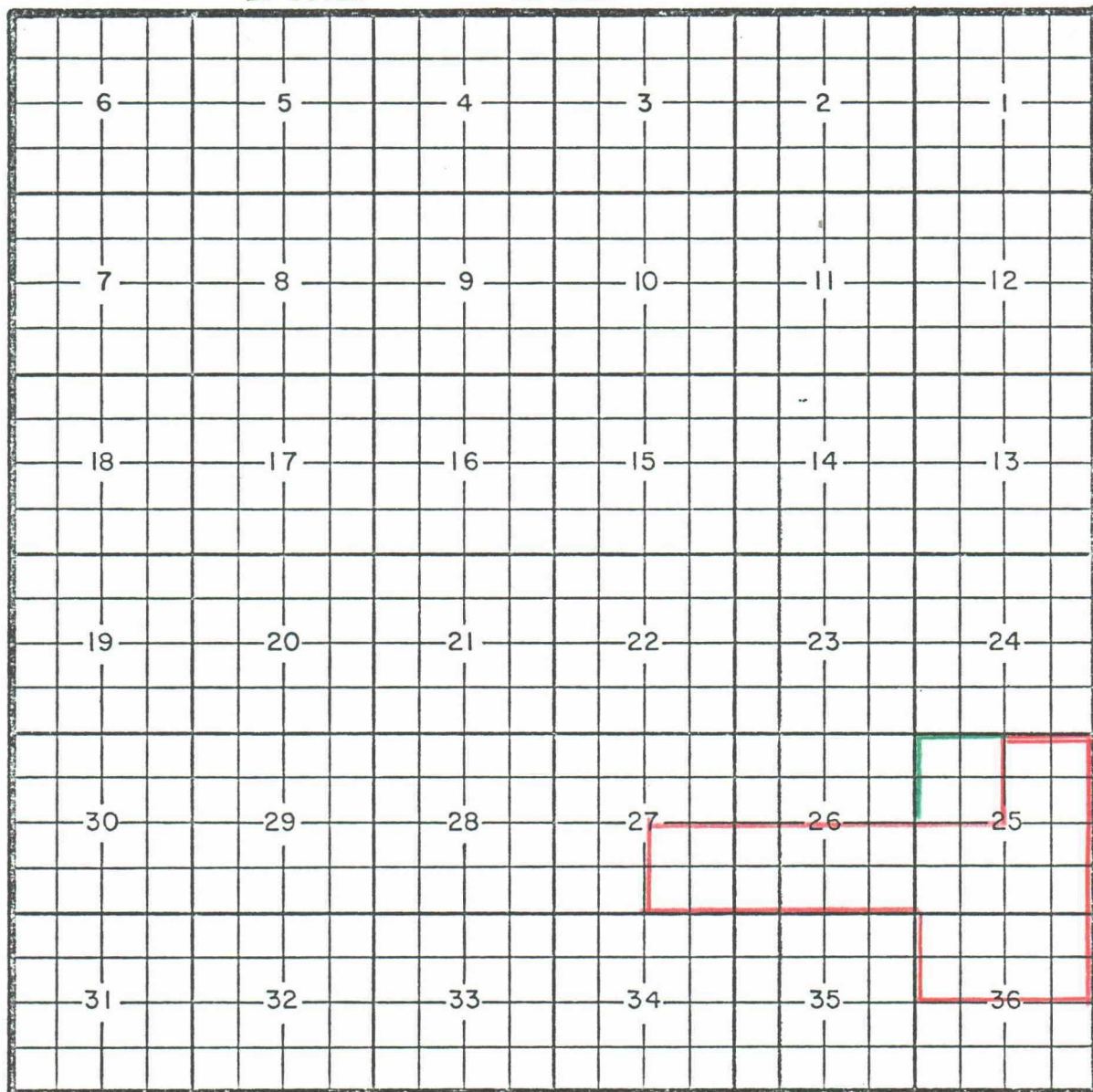
TOWNSHIP

18 South

RANGE

33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Manzano Oil Corporation Edith Federal Well #3-E in SEc 25, T18S, R33E,
completed 10/19/85 in the Bone Spring formation. Top perf 9612 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 25: NW/4

COUNTY LEA

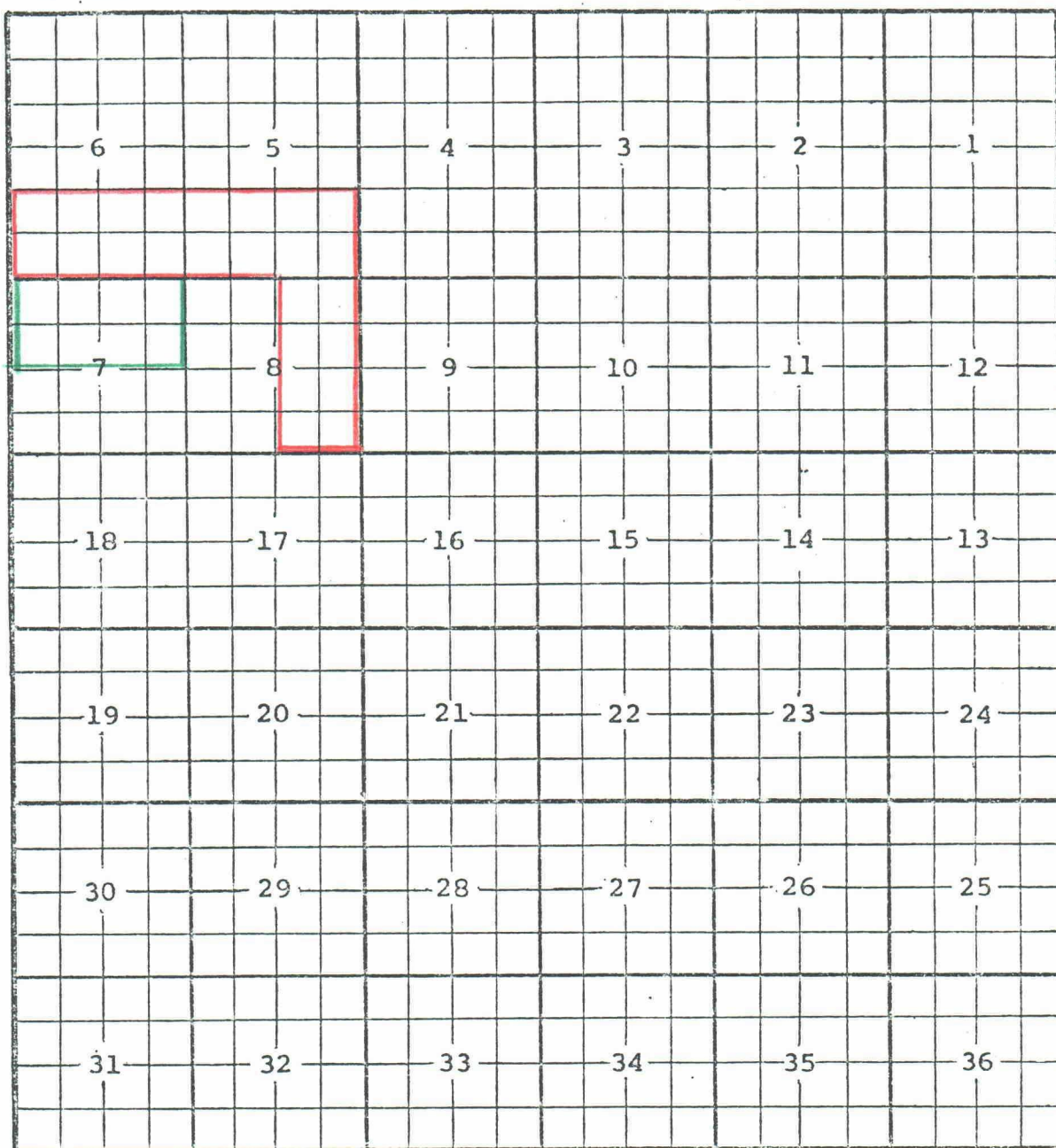
POOL

HUME-MORROW GAS

TOWNSHIP 16 South

RANGE 34 East

NMPM



PURPOSE: One completed gas well capable of producing.

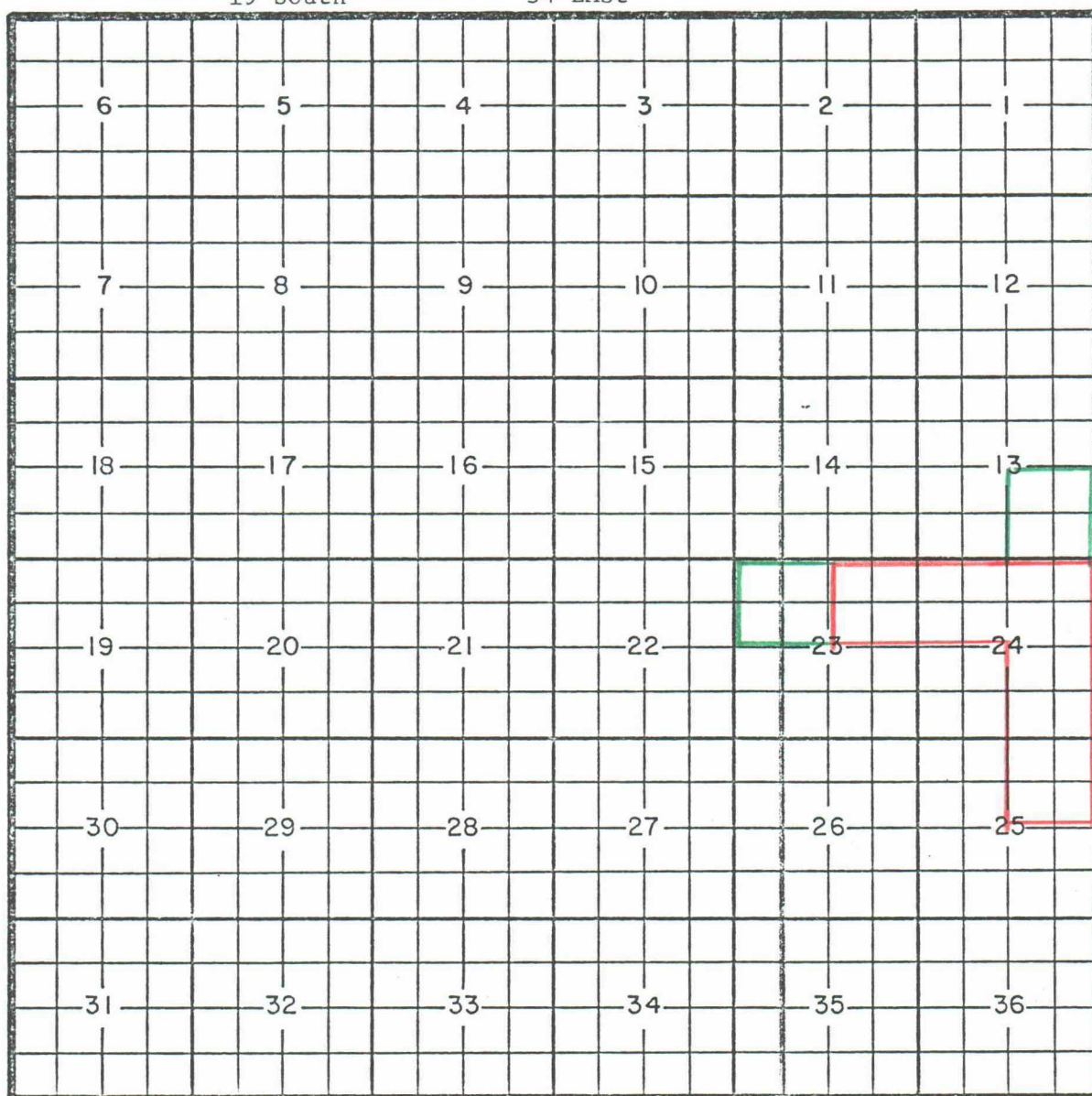
Mewbourne Oil Company State H Well #1Y-A in Sec 7, T16S, R34E, completed Sept. 12, 1985, in the Morrow formation. Top perf 12,410 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 7: N/2

COUNTY LEA POOL LEA=SAN ANDRES

TOWNSHIP 19 South RANGE 34 East NMPM



PURPOSE: Two completed oil wells capable of producing.

The Superior Oil Company Government 23 A #1-F in Sec 23, T19S, R34E,
completed Oct. 21, 1985, in the San Andres formation. Top perf 5868'

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: SE/4

Section 23: NW/4

COUNTY LEA

POOL LEA-SAN ANDRES

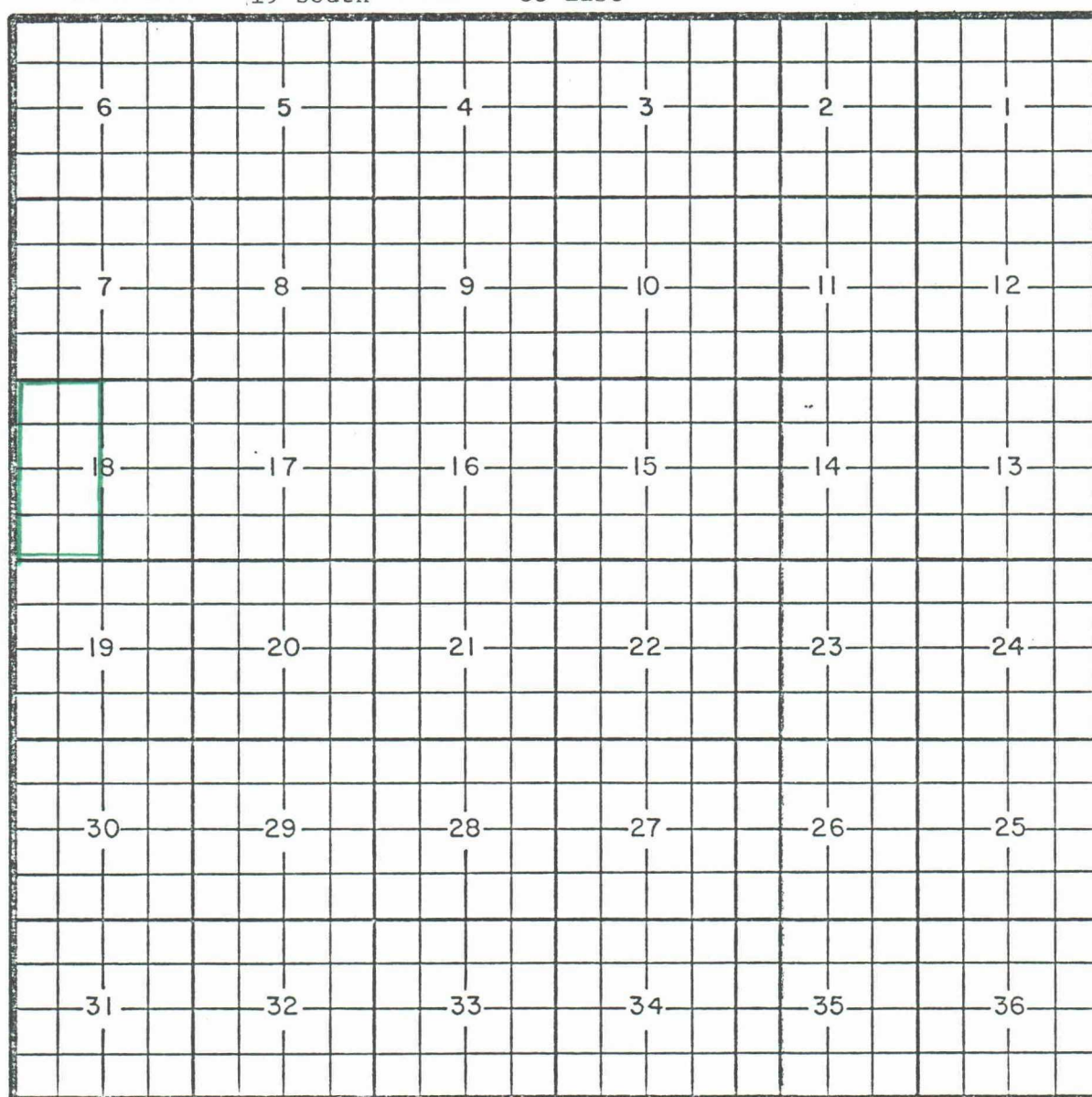
TOWNSHIP

19 South

RANGE

35 East

NMPM



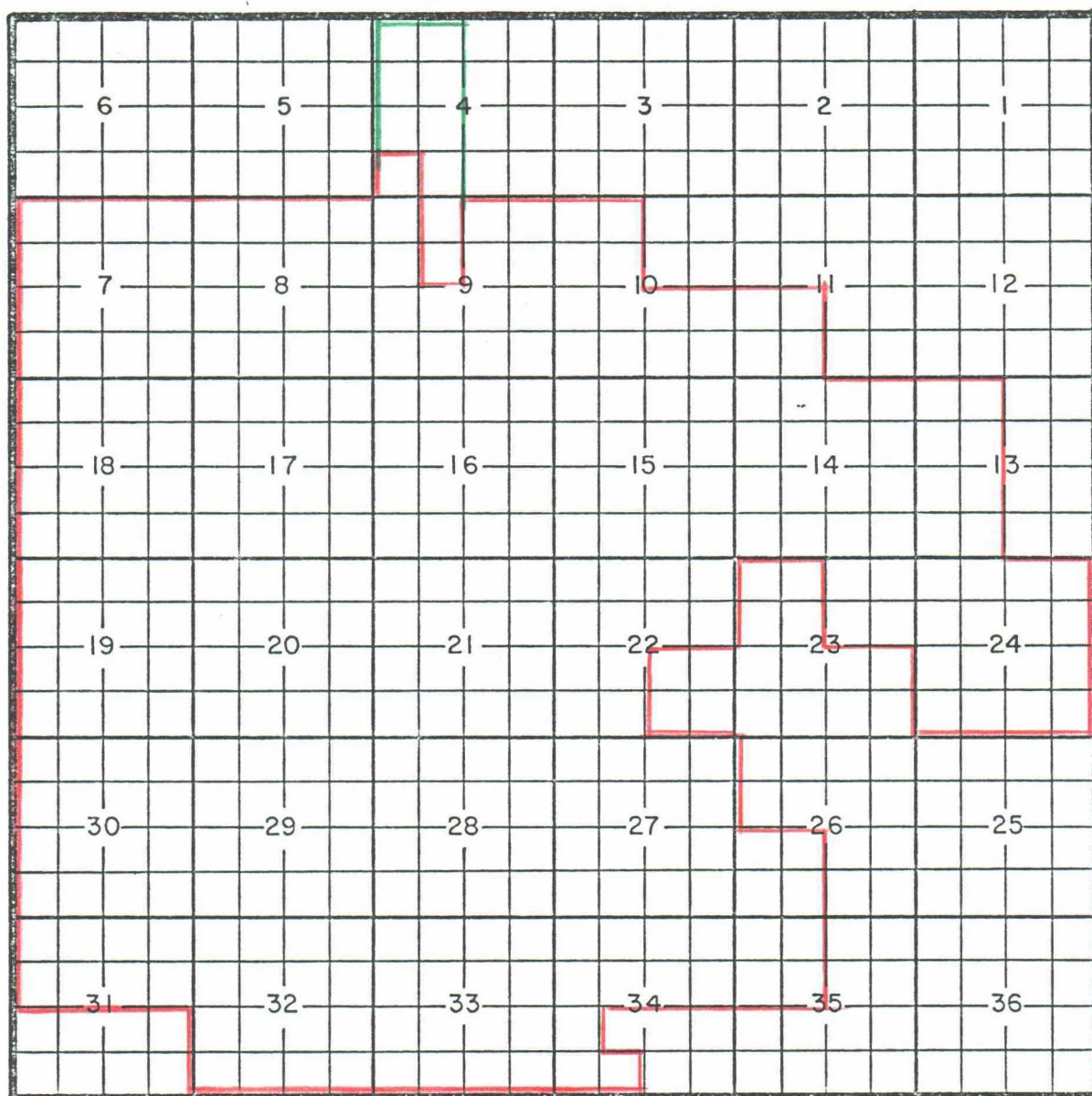
Fred G. Yates Inc. Reddy Gulf State #2-C in Sec 18, T19S, R35E, completed
Sept 21, 1985, in the San Andres formation. Top perf 5645 feet.

Pool boundary outlined in red.

Proposed Pool extension outlined in green. Section 18: W/2

COUNTY LEA POOL MALJAMAR-GRAYBURG SAN ANDRES

TOWNSHIP 17 South RANGE 33 East NMPM



PURPOSE: One completed oil well capable of producing

Morexco, Inc. International State #1-C in Sec 4, T17S, R33E, completed
Nov. 8, 1985, in the Grayburg formation. Top perf 4330 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 4: NW/4, N/2 SW/4, & SE/4 SW/4

Section 9: E/2 NW/4

COUNTY LEA

POOL MESCALERO ESCARPE-BONE SPRING

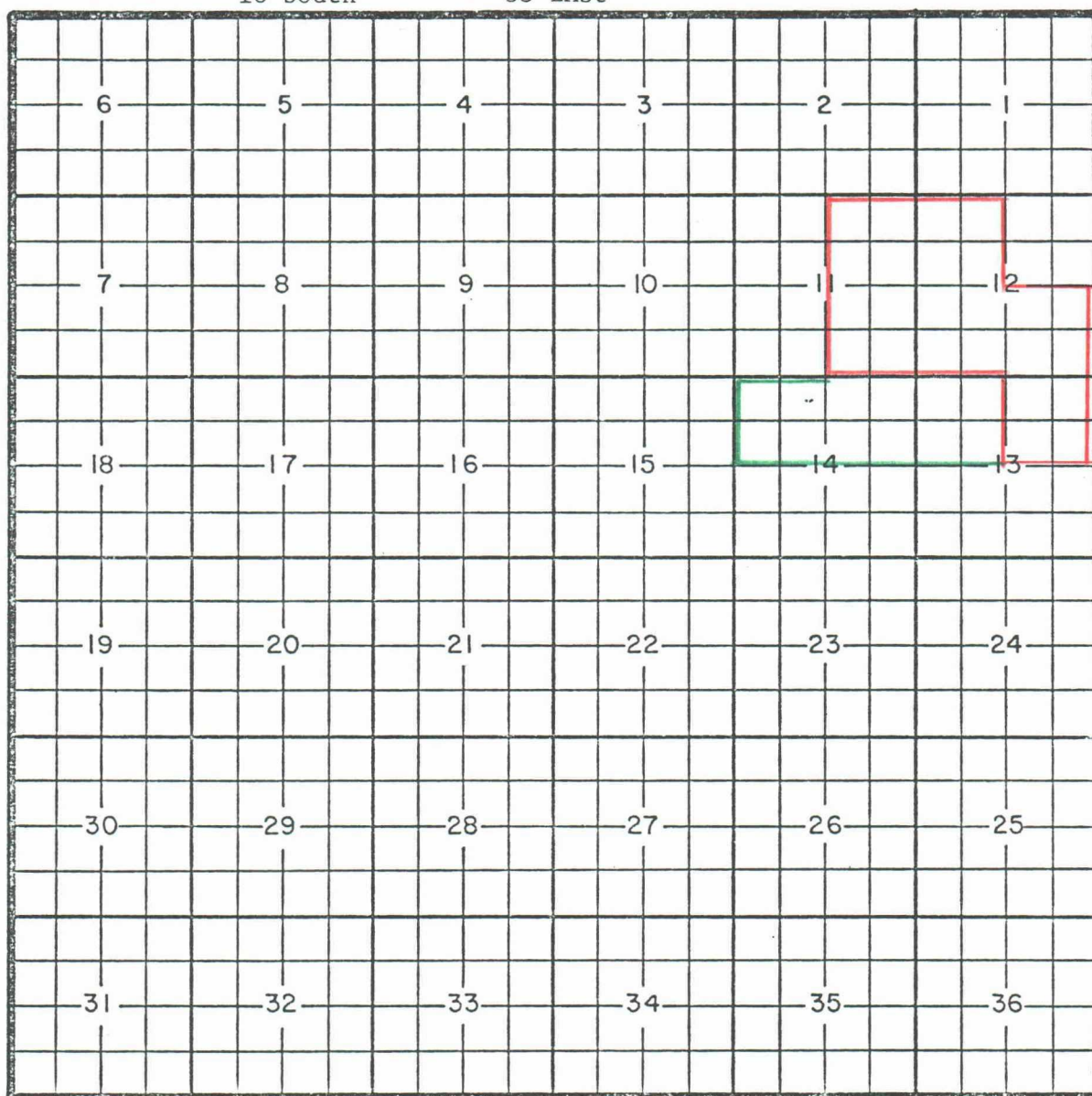
TOWNSHIP

18 South

RANGE

33 EAsT

NMPM



PURPOSE: Two completed oil wells capable of producing.

Sun Expl. & Prod. Co. Mescalero Ridge B FED #1-C in Sec 13, T18S, R33E, completed 10/4/85 in the Bone spring formation. Top perf 8736 feet.

Echo Production, Inc. Texaco 14 Fed #1-C in Sec 14, T18S, R33E, completed Nov. 11, 1985, in the Bone spring formation. Top perf 8710 feet.

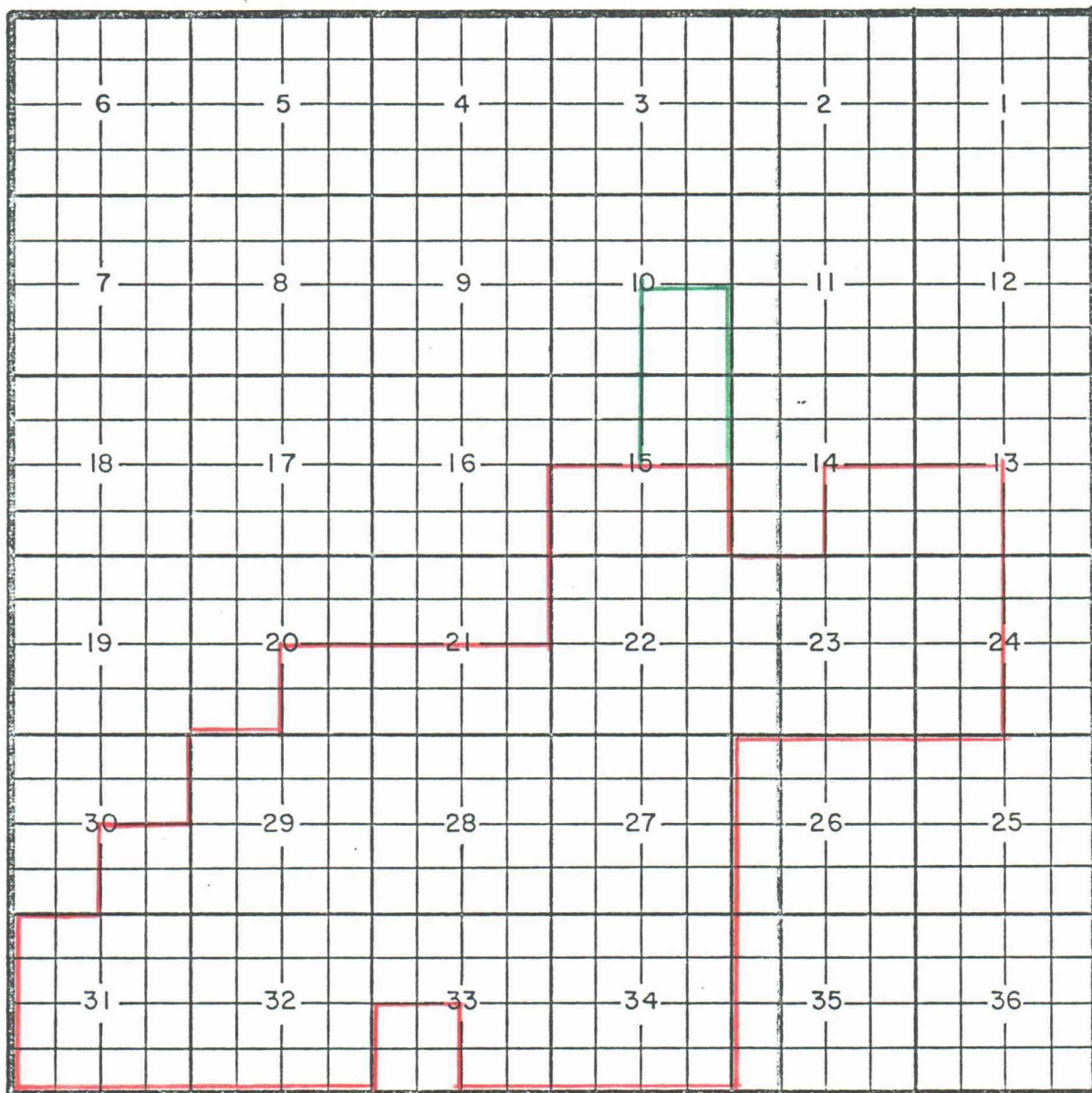
Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 13: NW/4

SECTION 14: N/2

COUNTY LEA POOL PEARL=QUEEN

TOWNSHIP 19 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

Fred Pool Drilling Inc. Pearl State #1-0 in SEc 10, T19S, R35E, completed
Sept 26, 1985 in the Queen formation. Top perf 4965 feet.

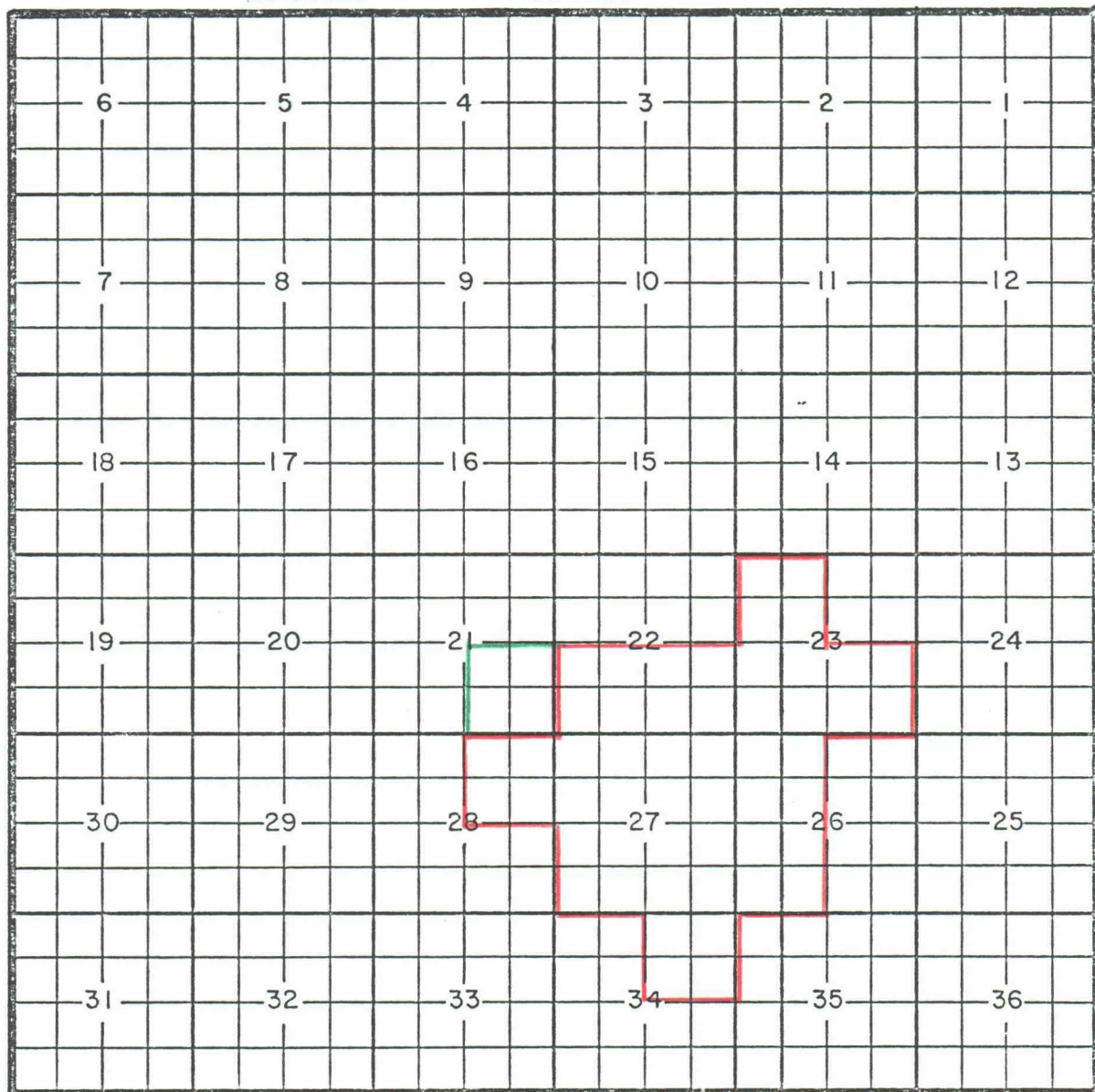
Pool boundary outlined in red.

Proposed Pool extension outlined in green. SECTION 10: SE/4

SECTION 15: NE/4

COUNTY LEA POOL QUERECHO PLAINS-QUEEN ASSOCIATED

TOWNSHIP 18 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

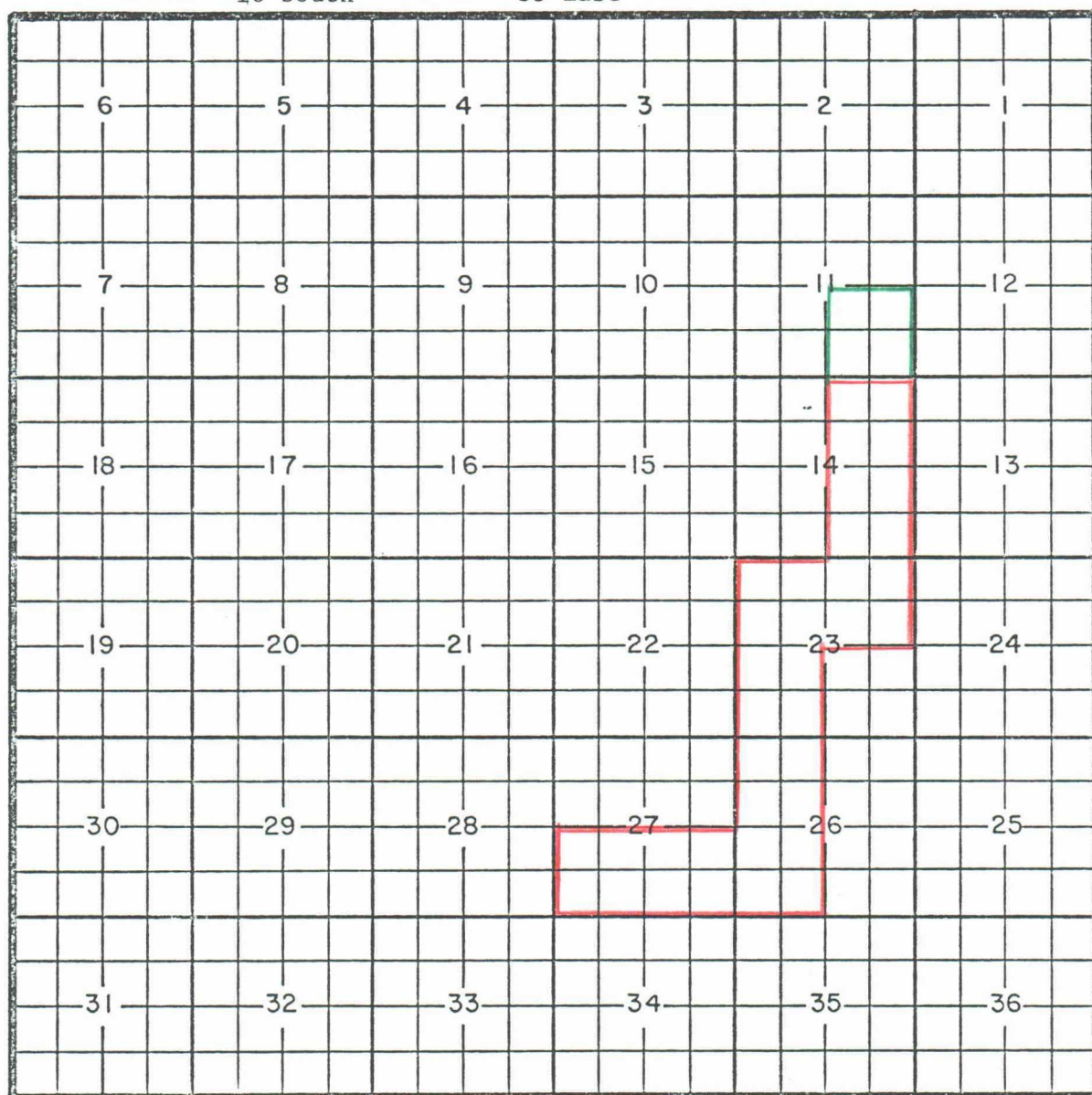
Cavalcade Oil Corporation Cavalcade 21 Fed #4-P in Sec 21, T18S, R32E,
completed 10/27/85 in the Queen formation. Top perf 4096 feet.

Pool boundary outlined in red.

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

COUNTY LEA POOL REEVES-PENNSYLVANIAN

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing

Mitchell Energy Corp. State JR Well #1-P in Sec 11, T18S, R35E, completed
Oct. 4, 1985, in the Strawn formation. Top perf 11,013 feet.

Pool boundary outlined in red.

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

LEA

POOL

SAUNDERS PERMO-UPPER PENNSYLVANIAN

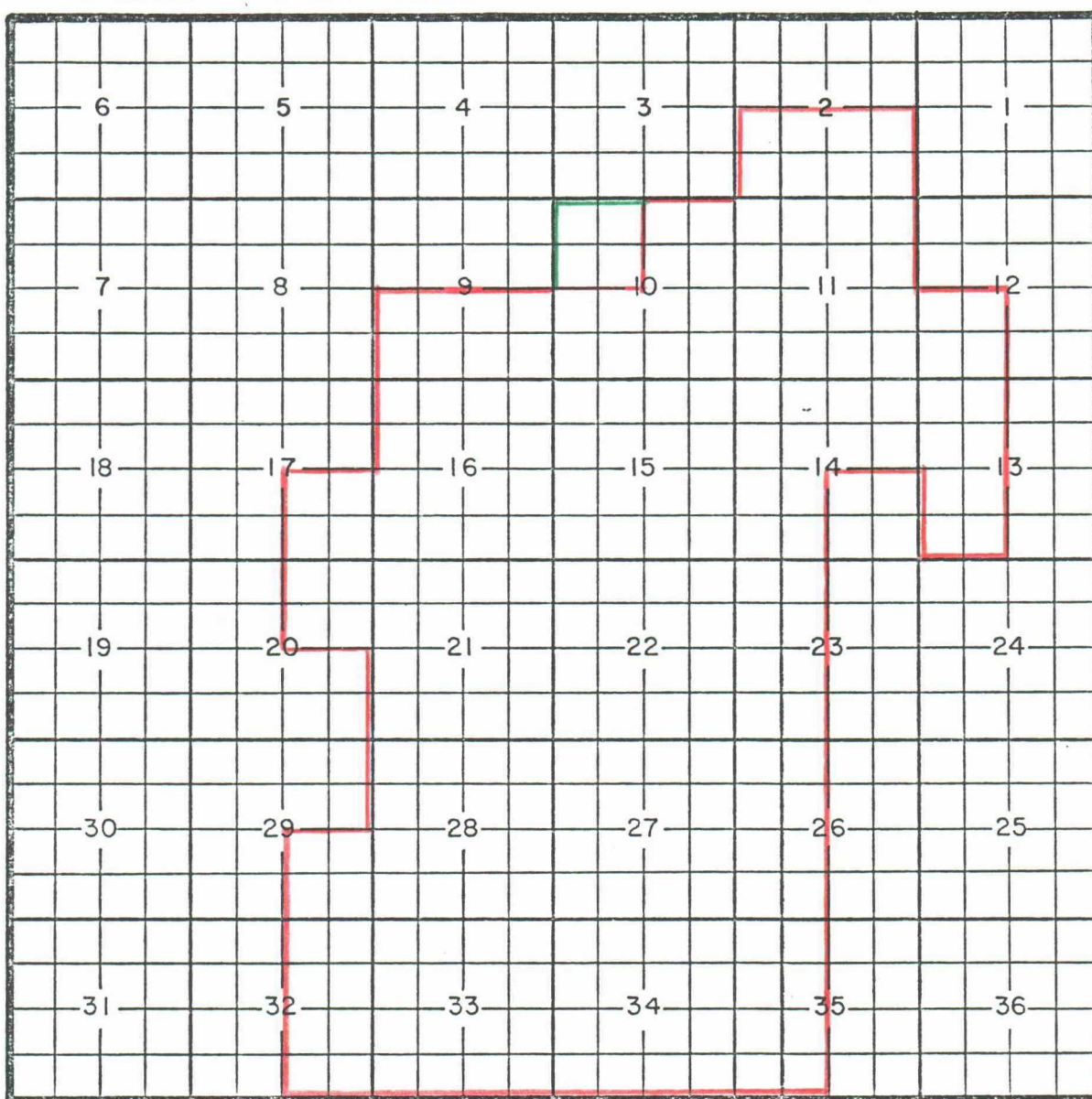
TOWNSHIP

14 South

RANGE

33 East

NMPM



MWJ Producing Company Saunders 10 State #3-D in Sec 10, T14S, R33E, completed
October 16, 1985, in the Pennsylvanian formation. Top perf 9,916 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 10: NW/4

COUNTY LEA

POOL

NORTH SHOE BAR-WOLFCAMP

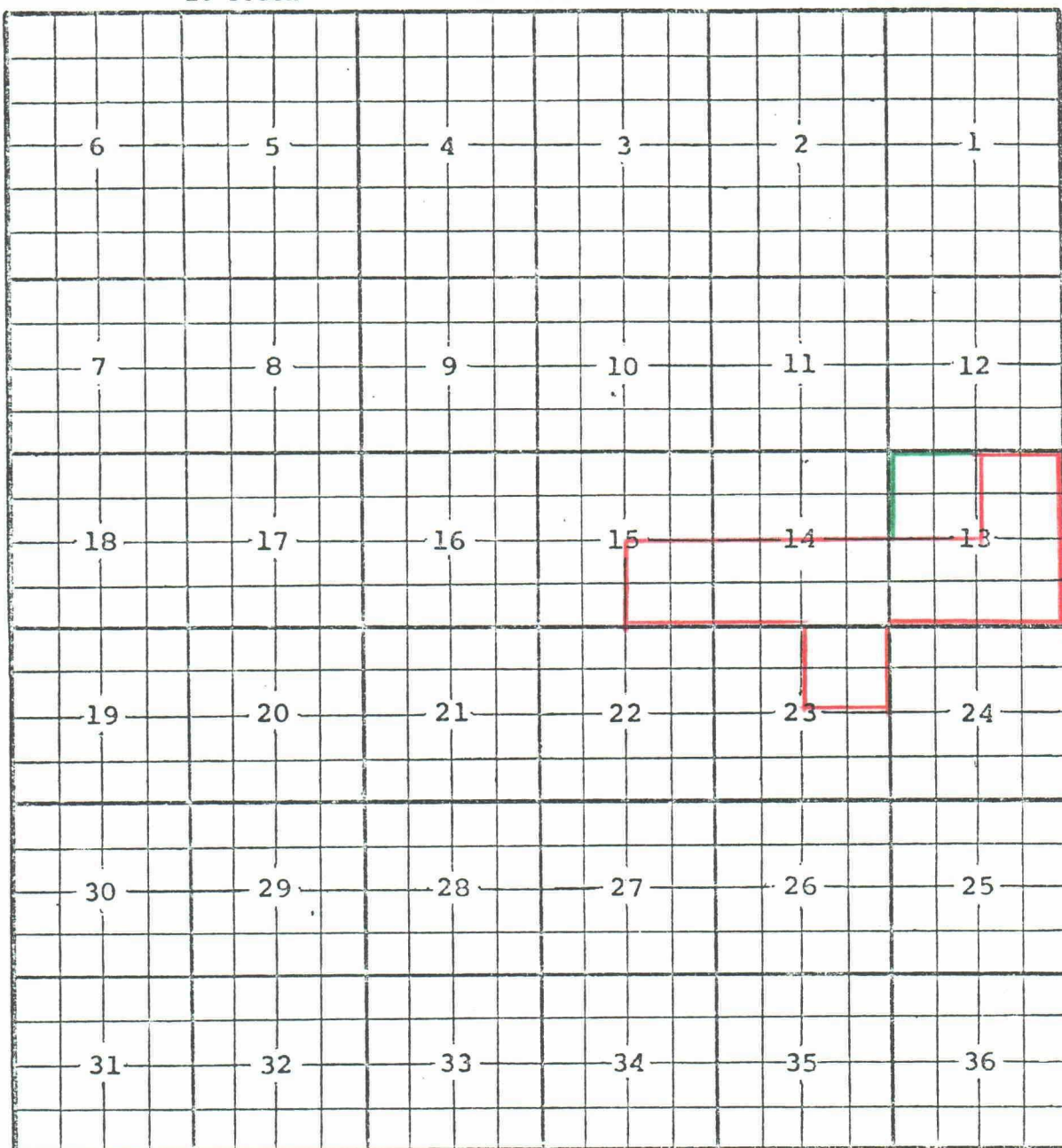
TOWNSHIP

16 South

RANGE

35 East

NMPM



PURPOSE: One completed oil well capable of producing.

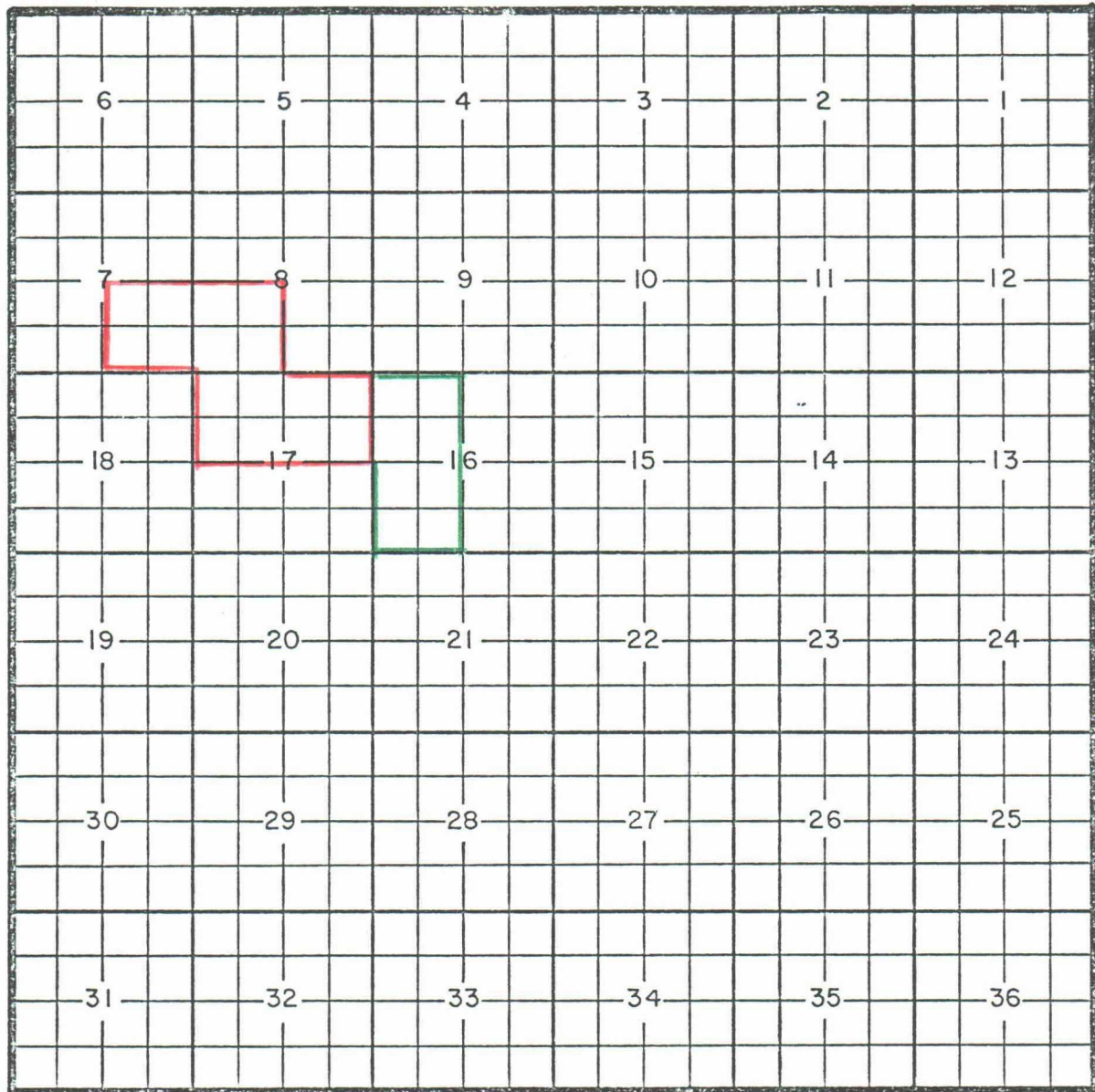
Mesa Petroleum Co. Hilburn Well #2-C in Sec 13, T16S, R35E, completed Oct. 2, 1985, in the Wolfcamp formation. Top perf 10,448 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: NW/4

COUNTY LEA POOL MID-VACUUM-DEVONIAN

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

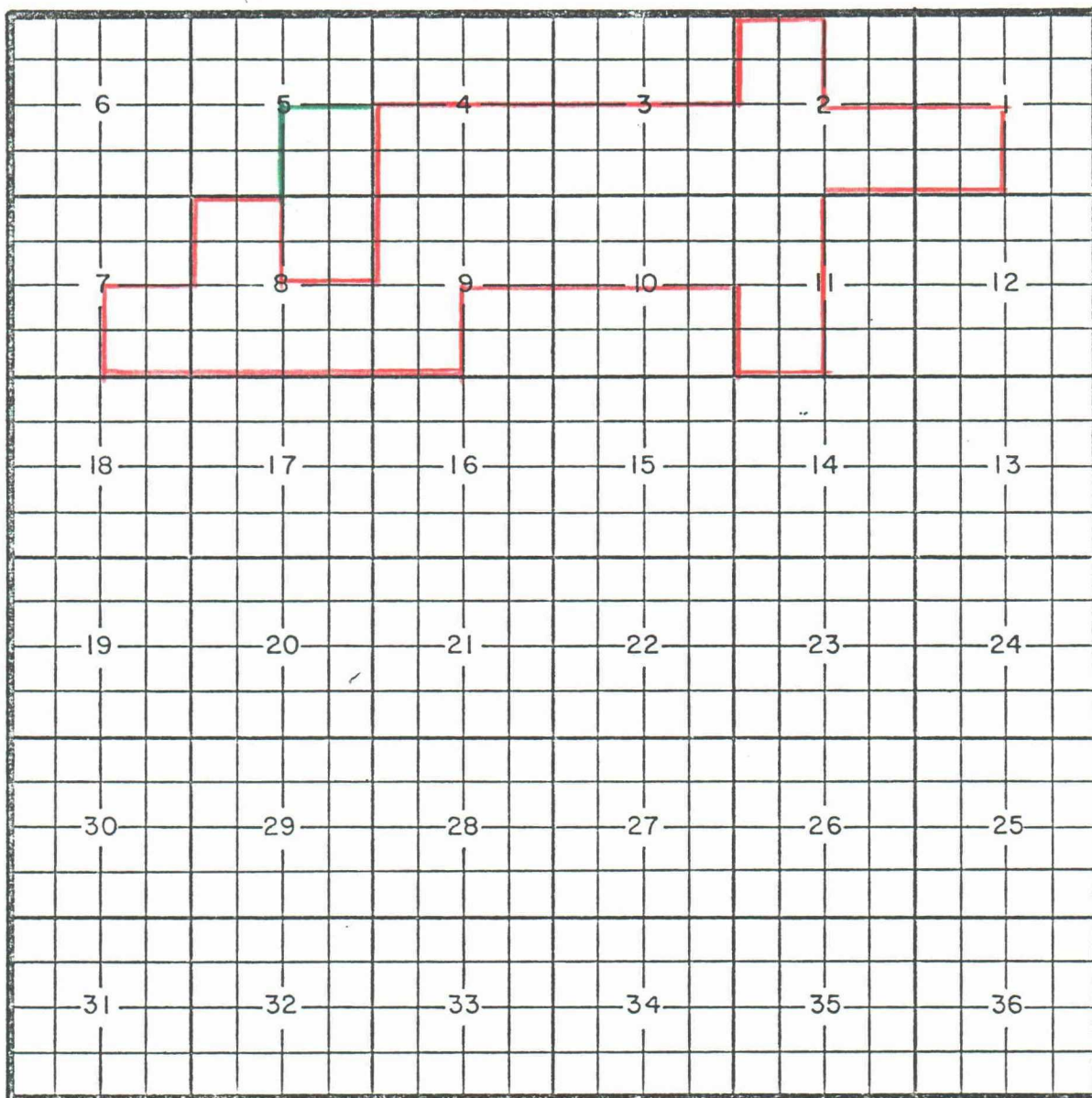
Maralo, Inc. Maralo sV16 State #1-L in Sec 16, T18S, R35E, completed
October 30, 1985, in the Devonian formation. Top perf 11,787 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 16: W/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 Blanco 5 Federal Well #1-P in Sec 5, T18S, R32E,
completed October 4, 1985, in the Bone spring formation. Top perf 8095 ft.

Pool boundary outlined in red.

Proposed Pool extension outlined in green. Section 5: SE/4

Section 8: NE/4

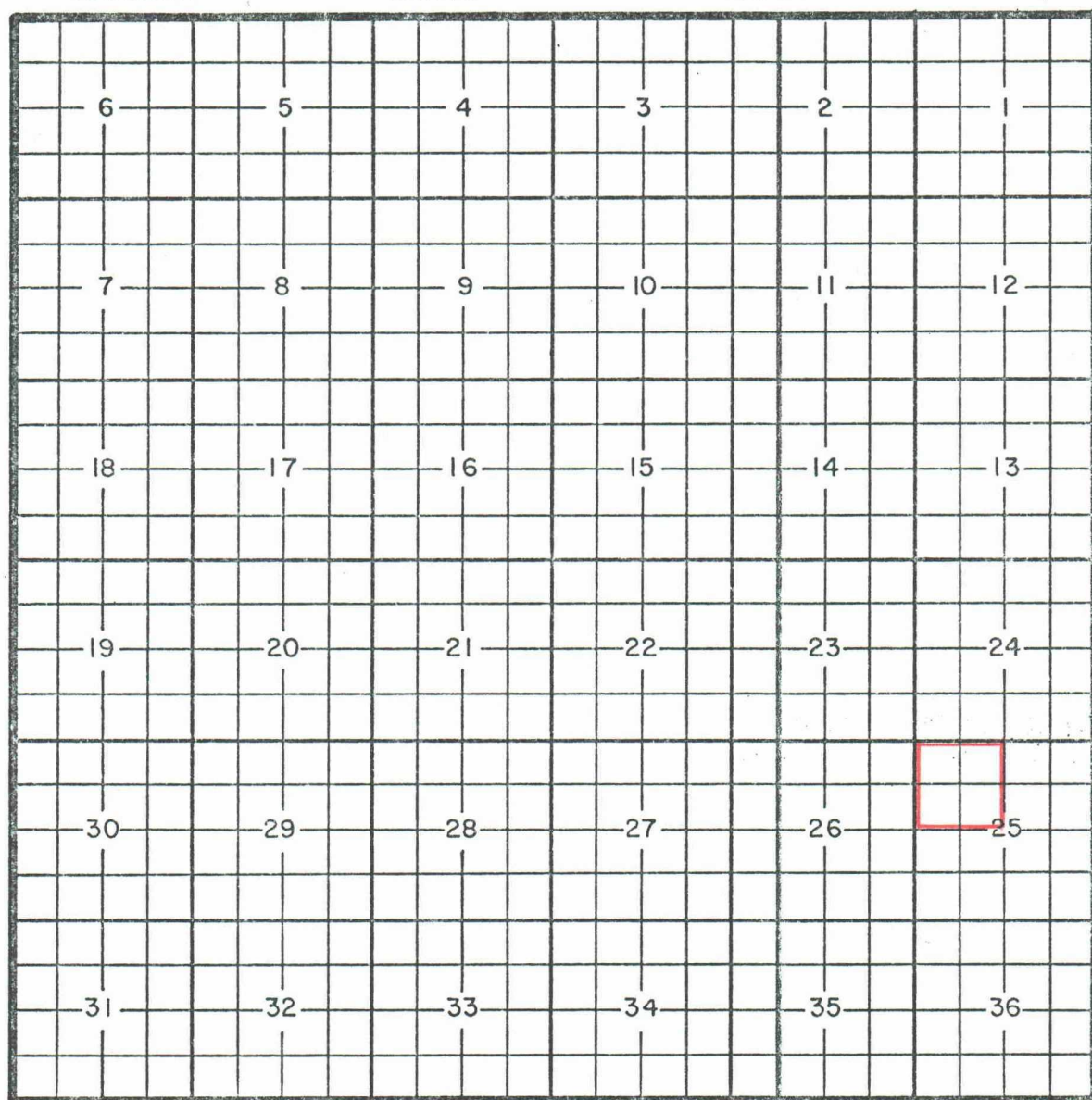
COUNTY LEA

POOL

HOBBS CHANNEL-WOLFCAMP

TOWNSHIP 17 South RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Havery E. Yates Company Howry 25 Well #1-E in Sec. 25,

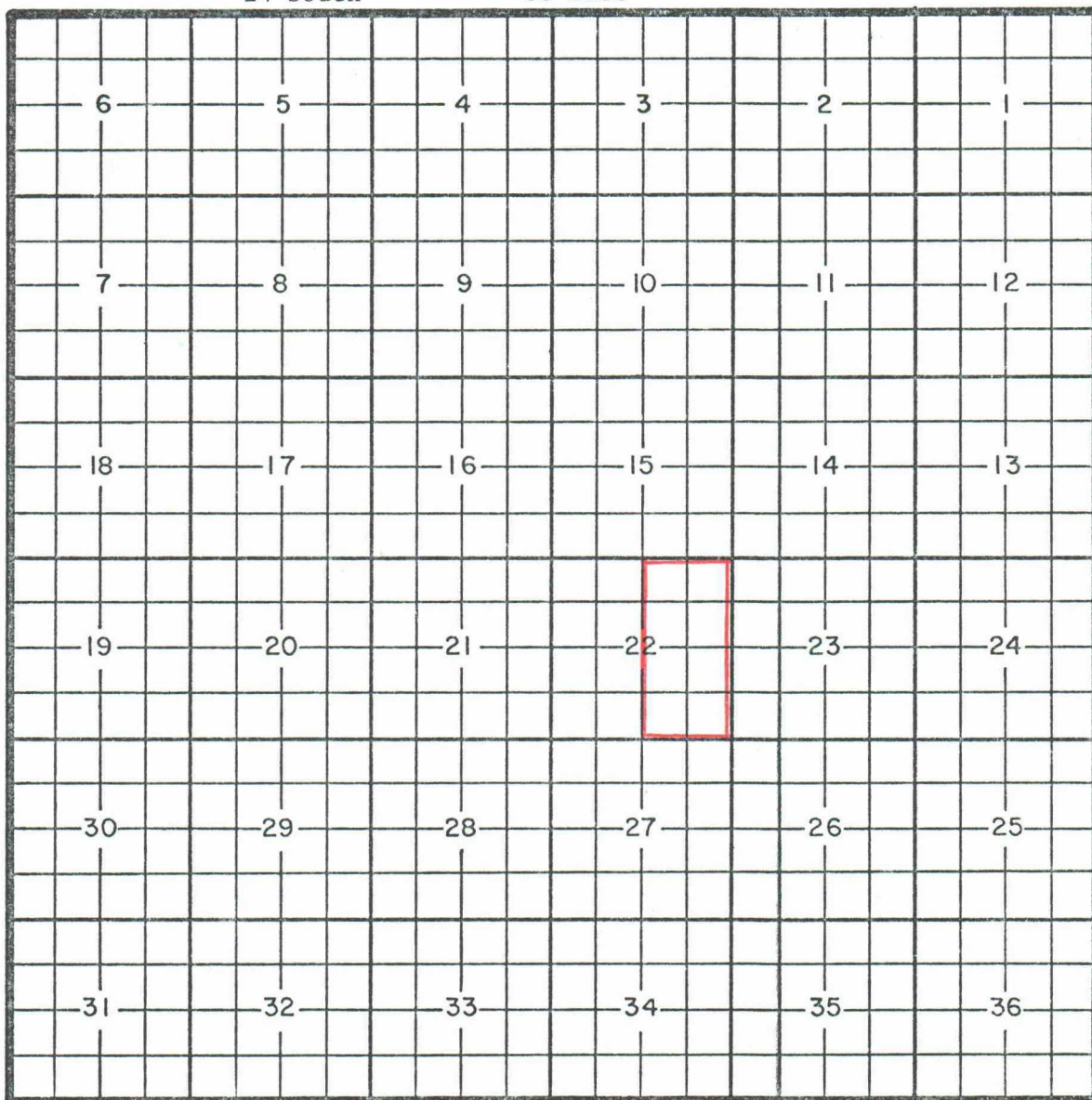
T17S, R37E, completed August 12, 1985, in the Wolfcamp formation.

Top perf 10,054 feet.

Proposed pool boundary outlined in red. Section 25: NW/4

COUNTY LEA POOL JOHNSON RANCH WOLFCAMP GAS

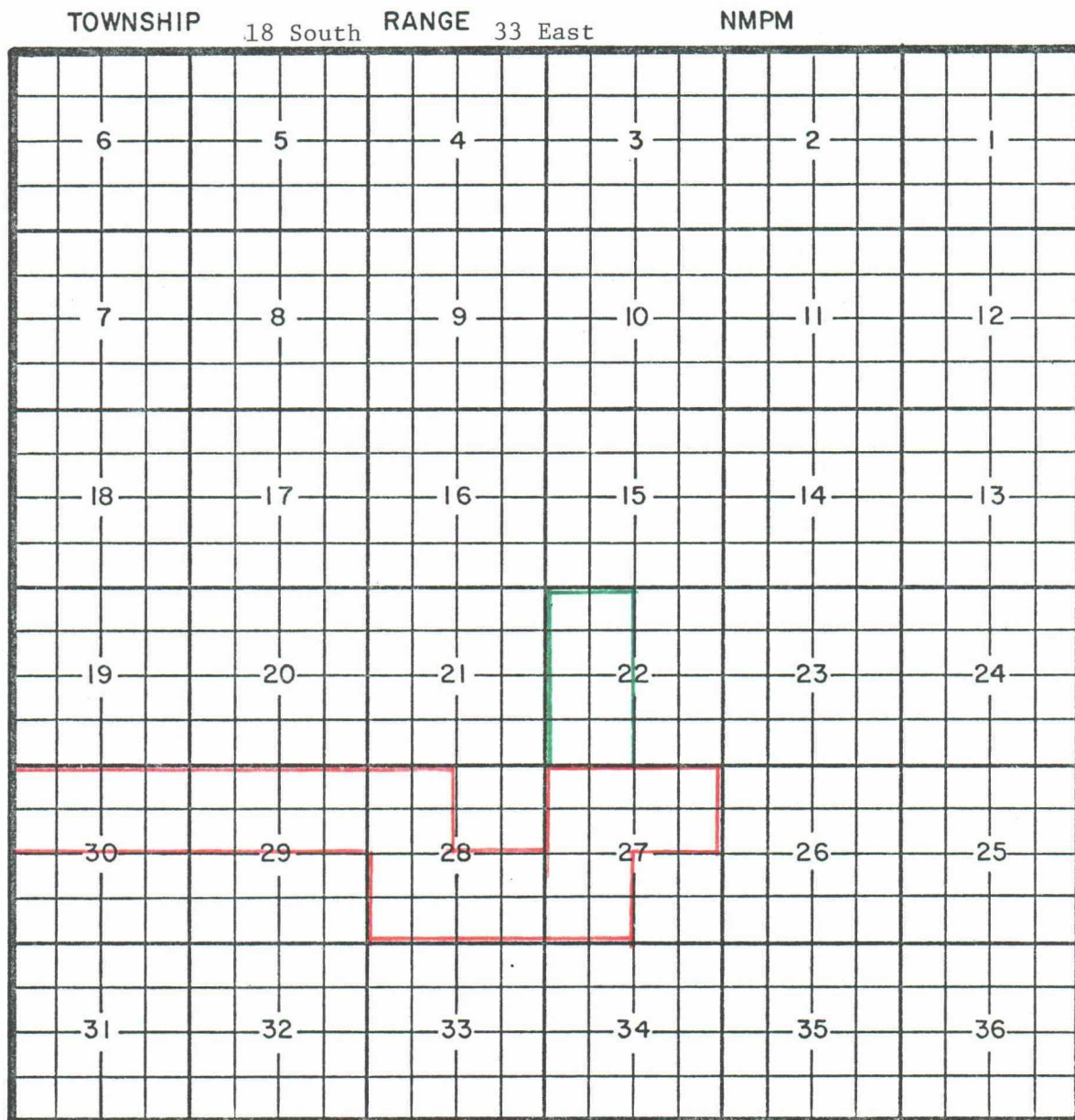
TOWNSHIP 24 South RANGE 33 East NMPM



PURPOSE: Correct the location of the Johnson Ranch Wolfcamp Gas Pool created by Order R-8747 from Range 32 to Range 33.

Pool boundary outlined in red. Section 22: E/2

COUNTY LEA POOL SOUTH CORBIN-STRAWN



PURPOSE: One completed oil well capable of producing.

Southland Royalty Company Aztec 22 Federal #1-F in Sec 22, T18S, R33E,
completed August 31, 1985, in the Strawn formation. Top perf 12,400 ft.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 22: W/2

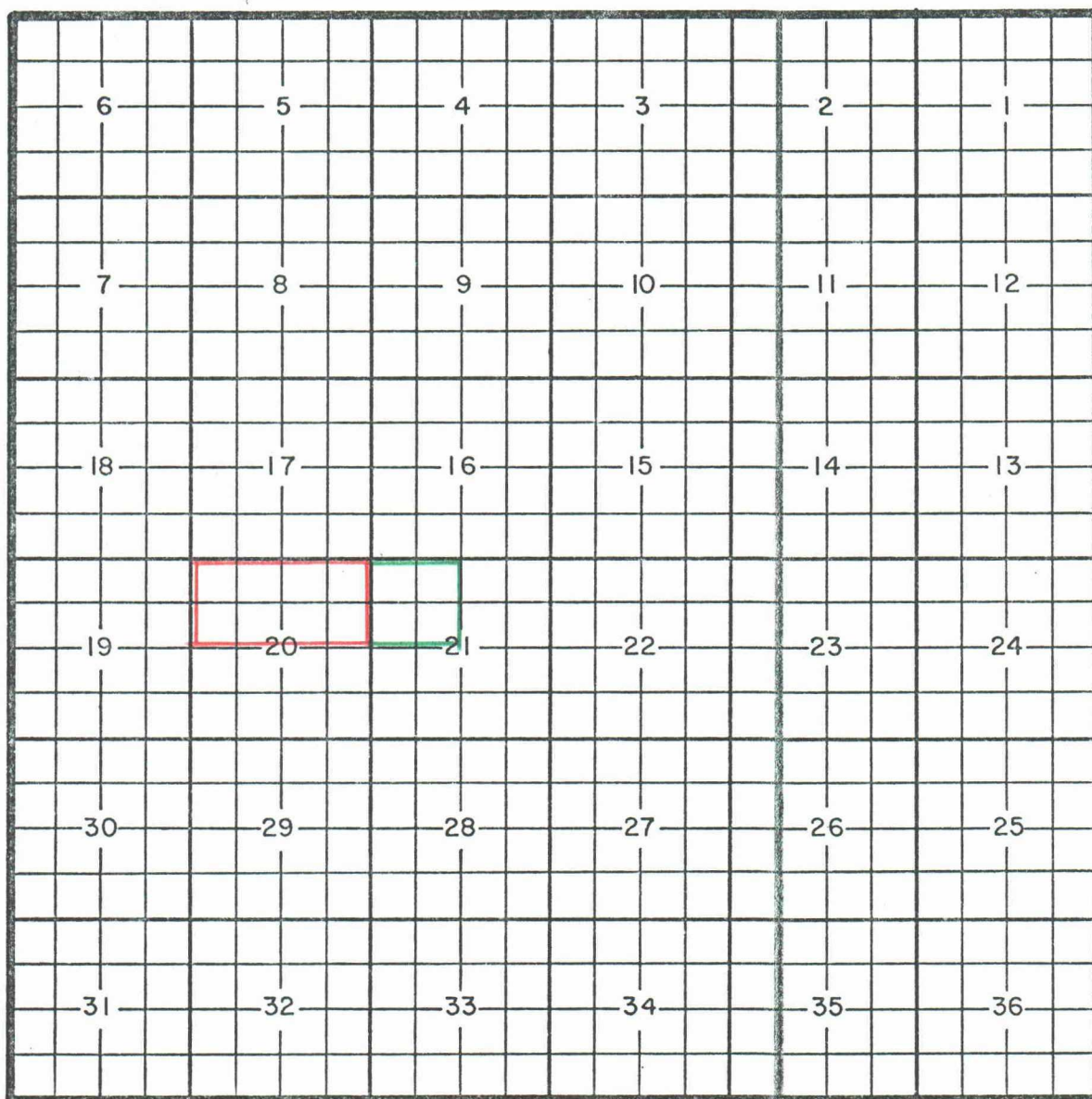
COUNTY LEA

POOL

LOWER DOUBLE A-ABO

TOWNSHIP 17 South RANGE 36 East

NMPM



PURPOSE: One completed oil well capable of producing.

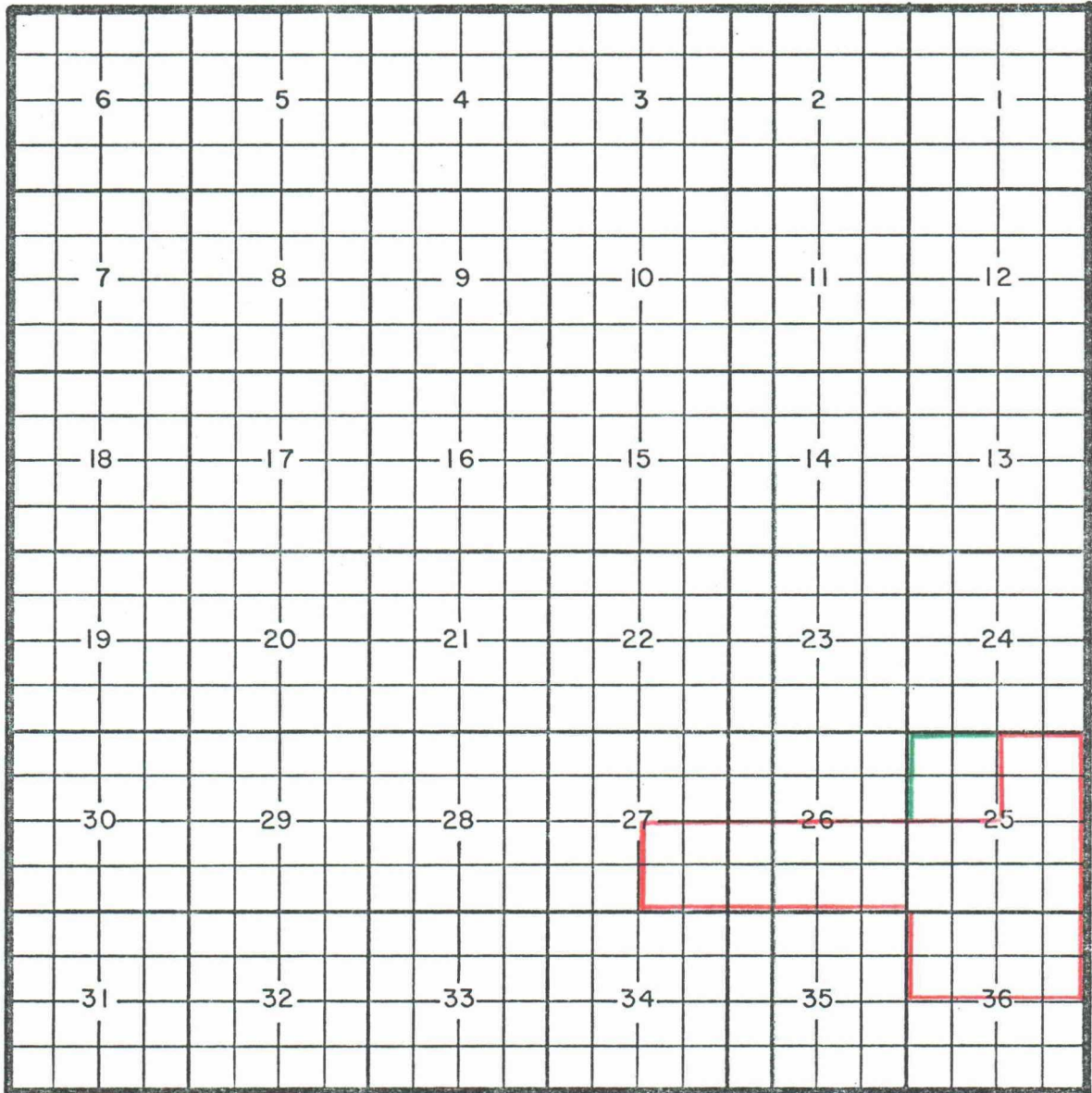
BTA Oil Producers Turner 8408 JV-P Well #1-~~P~~_D in SEc 21, T17S, R36E,
completed 10/26/85 in the Abo formation. Top perf 9223 feet.

Pool boundary outlined in red.

Proposed pool boundary outlined in green. Section 21: NW/4

COUNTY LEA POOL EK-BONE SPRING

TOWNSHIP 18 South RANGE 33 East NMPM



PURPOSE: One completed oil well capable of producing.

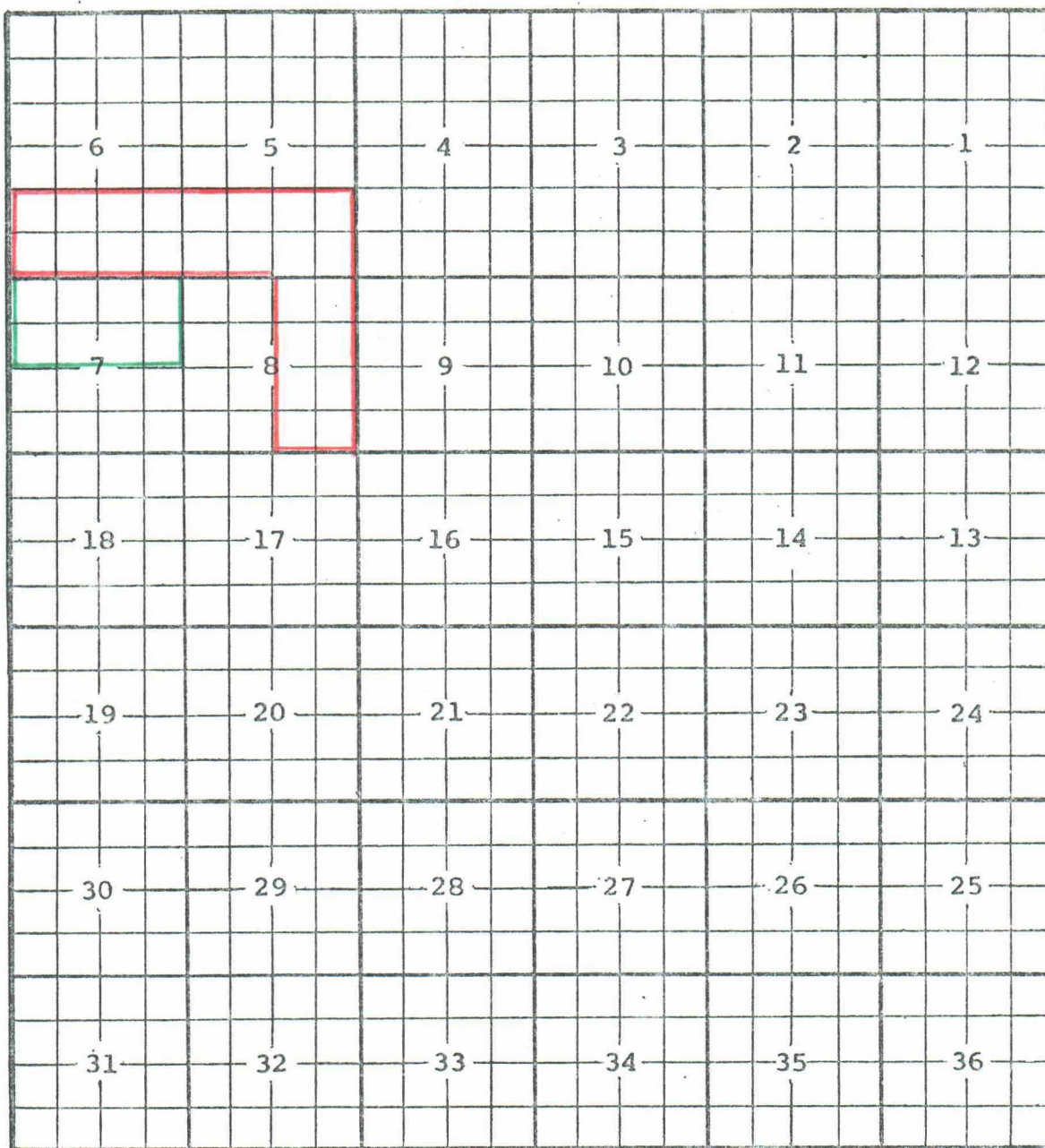
Manzano Oil Corporation Edith Federal Well #3-E in SEc 25, T18S, R33E,
completed 10/19/85 in the Bone Spring formation. Top perf 9612 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 25: NW/4

COUNTY LEA POOL HUME-MORROW GAS

TOWNSHIP 16 South RANGE 34 East NMPM



PURPOSE: One completed gas well capable of producing.

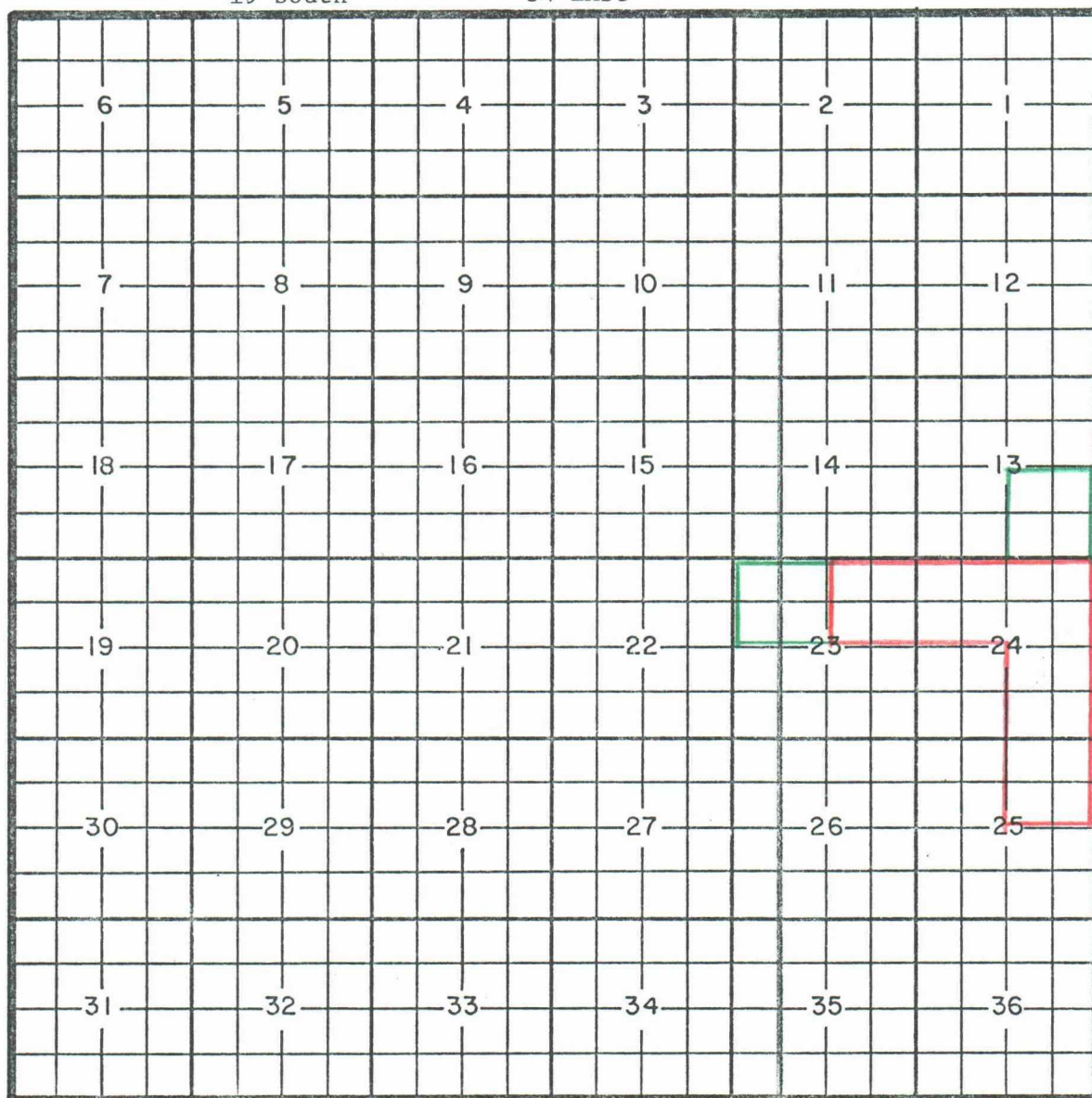
Mewbourne Oil Company State H Well #1Y-A in Sec 7, T16S, R34E, completed Sept. 12, 1985, in the Morrow formation. Top perf 12,410 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 7: N/2

COUNTY LEA POOL LEA=SAN ANDRES

TOWNSHIP 19 South RANGE 34 East NMMPM



PURPOSE: Two completed oil wells capable of producing.

The Superior Oil Company Government 23 A #1-F in Sec 23, T19S, R34E,
completed Oct. 21, 1985, in the San Andres formation. Top perf 5868'

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: SE/4

Section 23: NW/4

COUNTY LEA

POOL LEA-SAN ANDRES

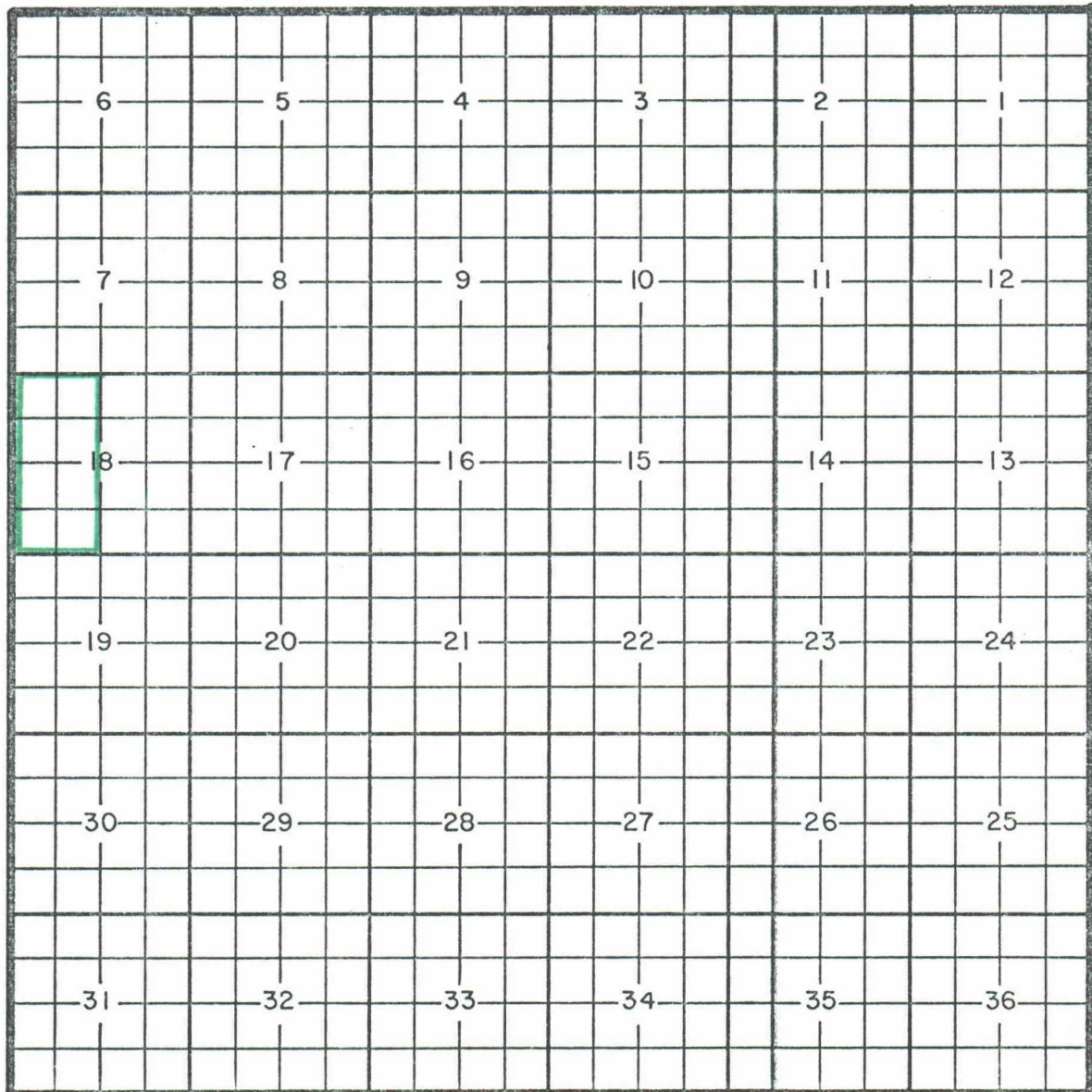
TOWNSHIP

19 South

RANGE

35 East

NMPM



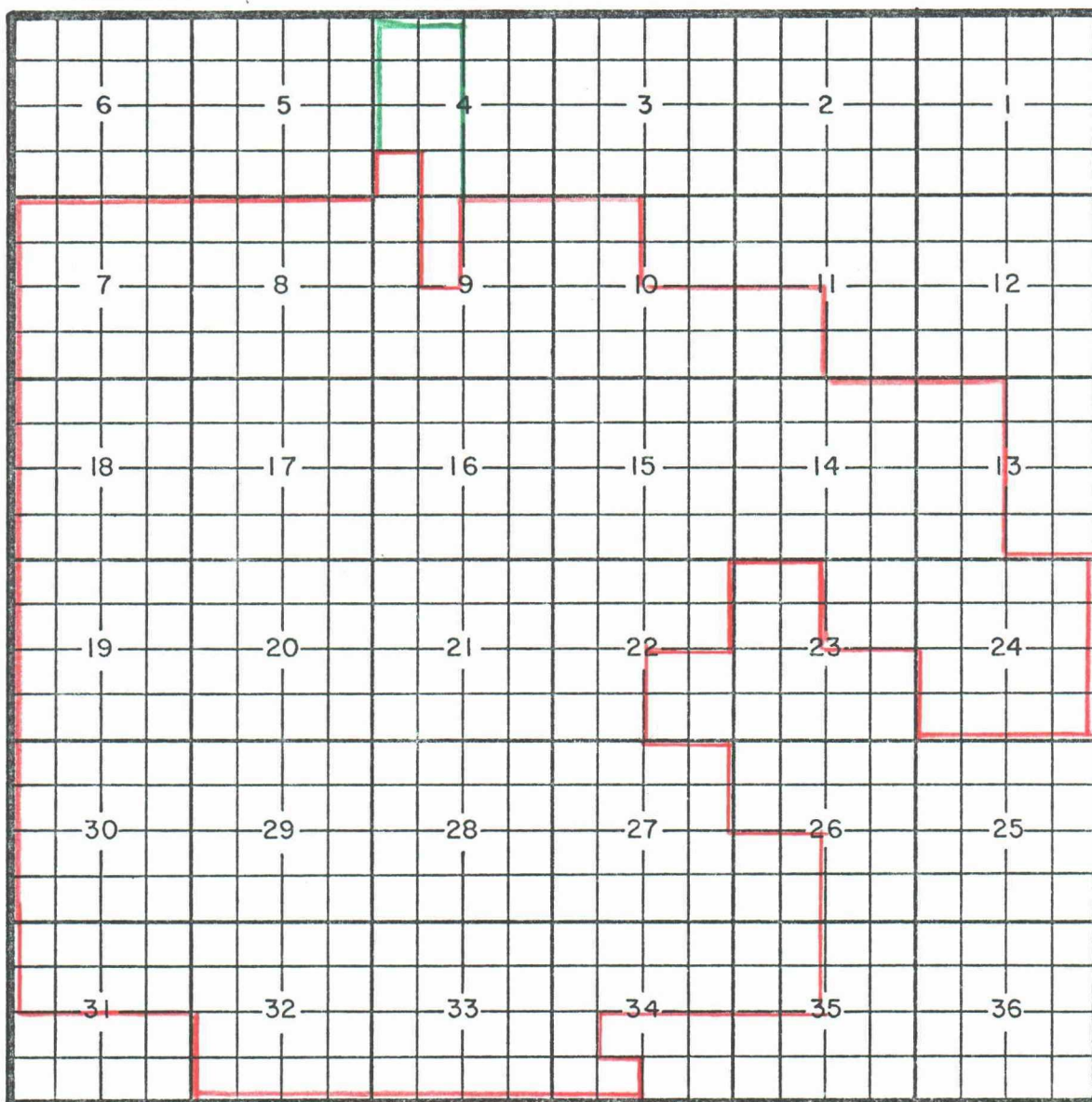
Fred G. Yates Inc. Reddy Gulf State #2-C in Sec 18, T19S, R35E, completed Sept 21, 1985, in the San Andres formation. Top perf 5645 feet.

Pool boundary outlined in red.

Proposed Pool extension outlined in green. Section 18: W/2

COUNTY LEA POOL MALJAMAR-GRAYBURG SAN ANDRES

TOWNSHIP 17 South RANGE 33 East NMPM



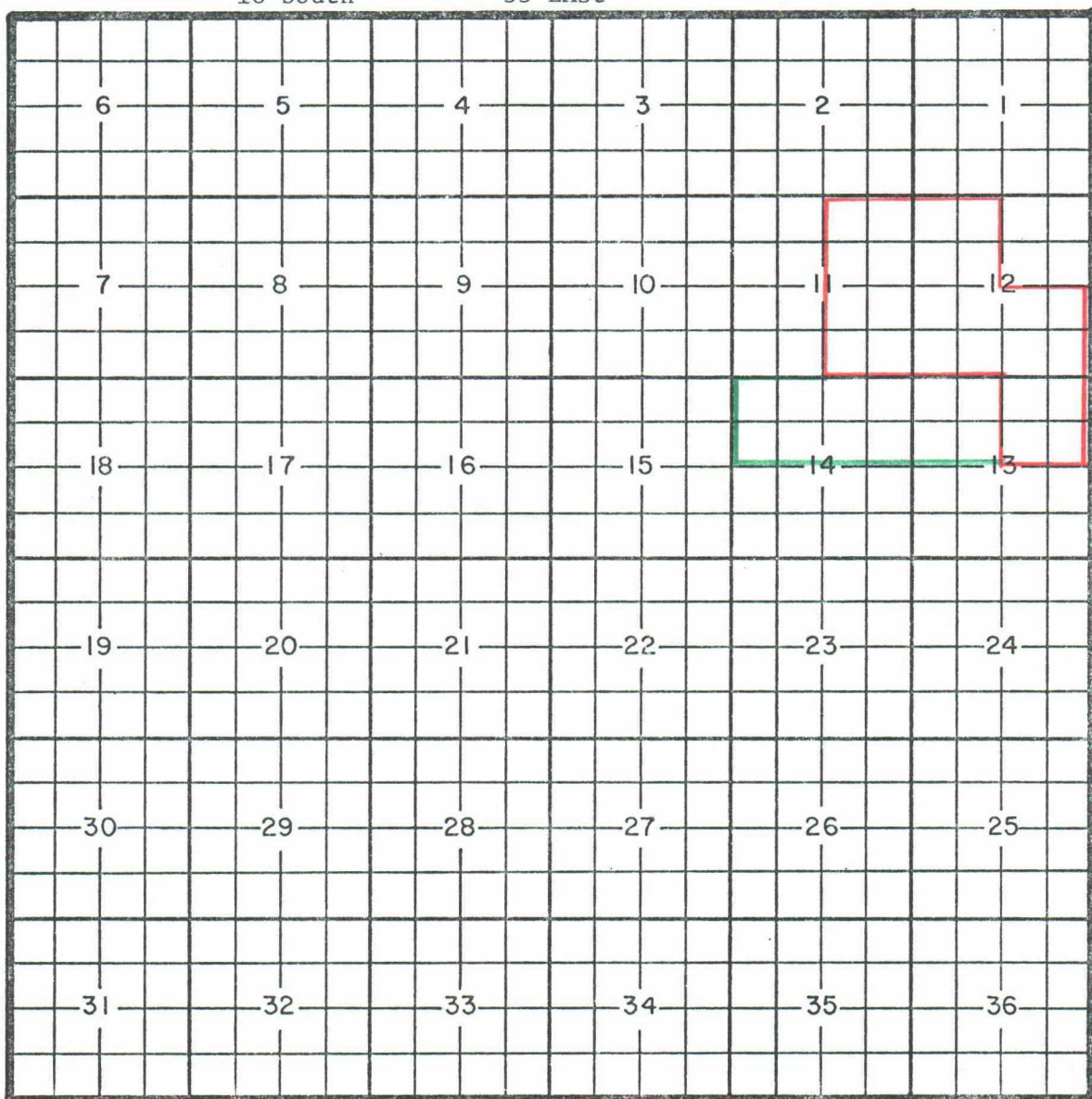
Morexco, Inc. International State #1-C in Sec 4, T17S, R33E, completed
Nov. 8, 1985, in the Grayburg formation. Top perf 4330 feet.

Proposed pool extension outlined in green. Section 4: NW/4, N/2 SW/4, & SE/4 SW/4

Section 9: E/2 NW/4

COUNTY LEA POOL MESCALERO ESCARPE-BONE SPRING

TOWNSHIP 18 South RANGE 33 East NMPM



PURPOSE: Two completed oil wells capable of producing.

Sun Expl. & Prod. Co. Mescalero Ridge B FEd #1-C in Sec 13, T18S, R33E, completed 10/4/85 in the Bone spring formation. Top perf 8736 feet.

Echo Production, Inc. Texaco 14 Fed #1-C in Sec 14, T18S, R33E, completed Nov. 11, 1985, in the Bone spring formation. Top perf 8710 feet.

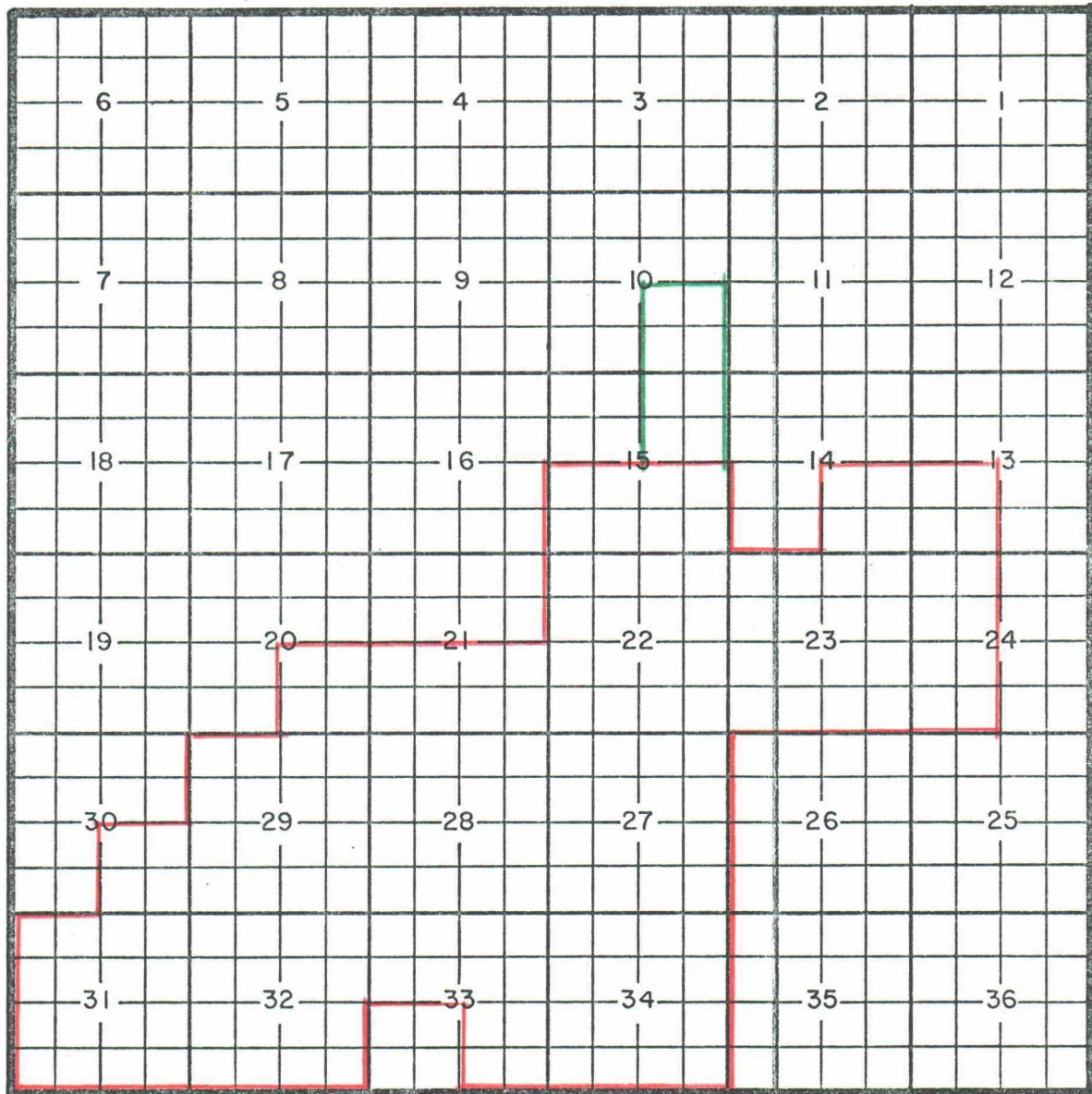
Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 13: NW/4

SECTION 14: N/2

COUNTY LEA POOL PEARL=QUEEN

TOWNSHIP 19 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

Fred Pool Drilling Inc. Pearl State #1-0 in SEc 10, T19S, R35E, completed
Sept 26, 1985 in the Queen formation. Top perf 4965 feet.

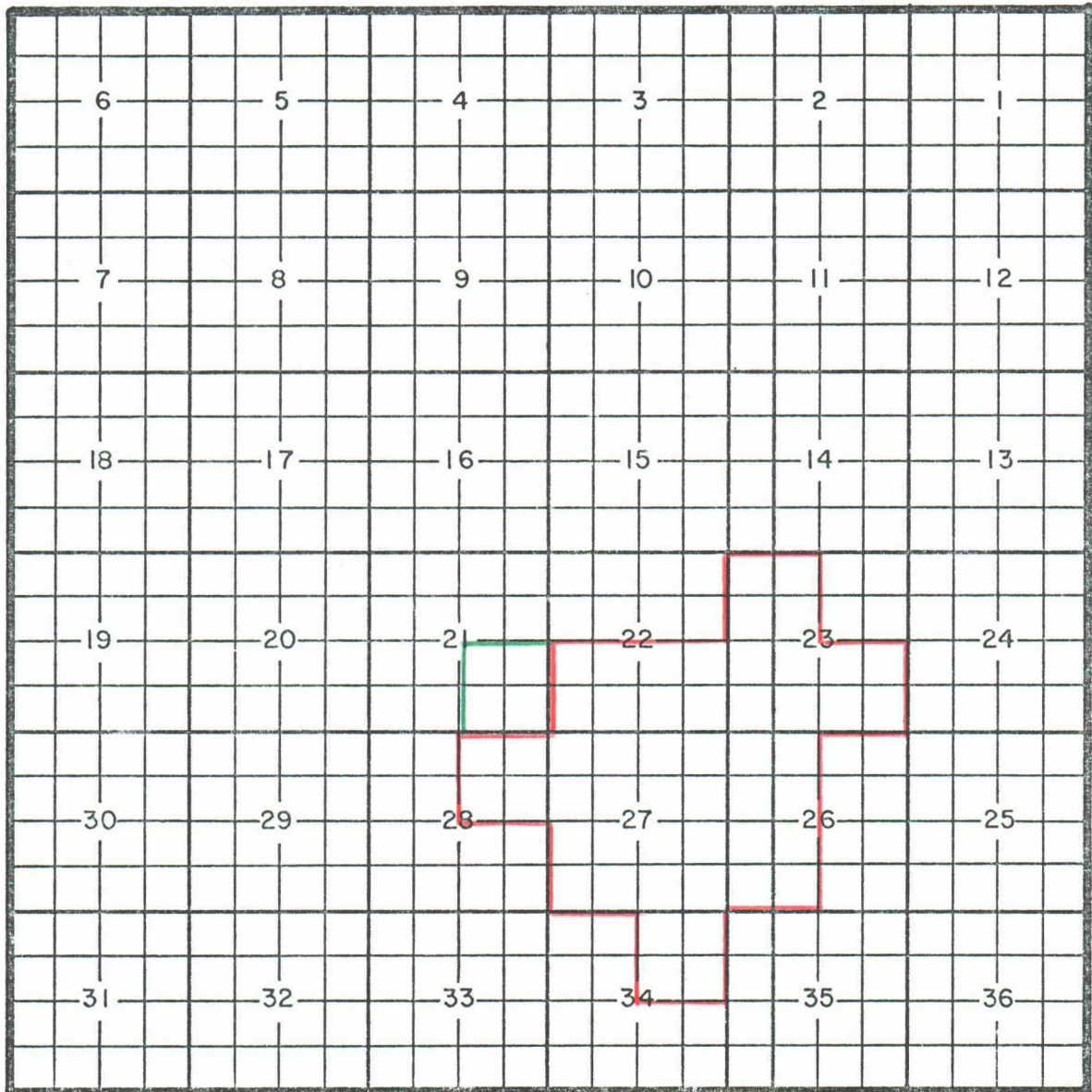
Pool boundary outlined in red.

Proposed Pool extension outlined in green. SECTION 10: SE/4

SECTION 15: NE/4

COUNTY	LEA	POOL	QUERECHO PLAINS-QUEEN ASSOCIATED
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TOWNSHIP 18 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

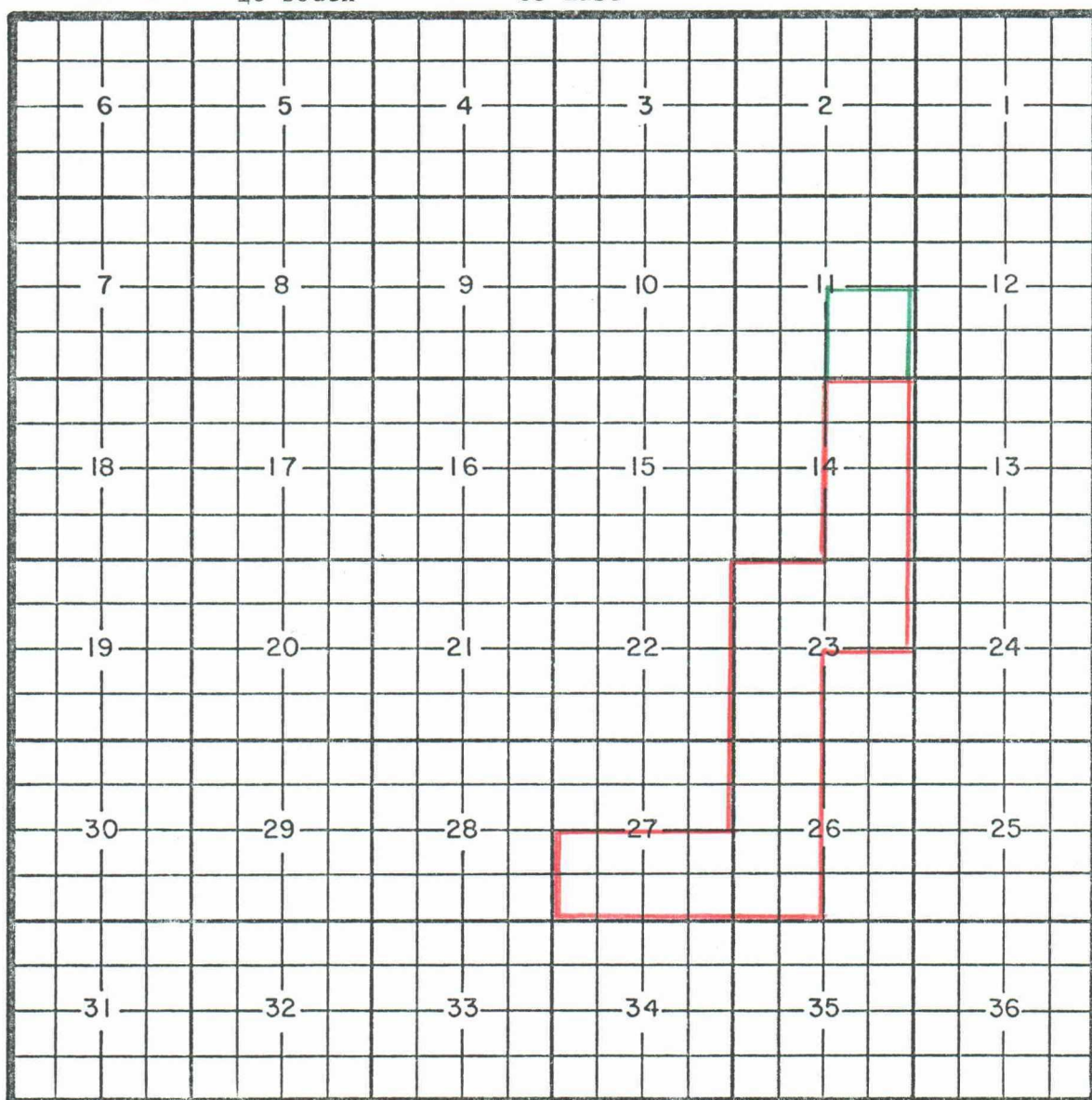
Cavalcade Oil Corporation Cavalcade 21 Fed #4-P in Sec 21, T18S, R32E,
completed 10/27/85 in the Queen formation. Top perf 4096 feet.

Pool boundary outlined in red.

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

COUNTY LEA POOL REEVES-PENNSYLVANIAN

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing

Mitchell Energy Corp. State JR Well #1-P in Sec 11, T18S, R35E, completed
Oct. 4, 1985, in the Strawn formation. Top perf 11,013 feet.

Pool boundary outlined in red.

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

LEA

POOL

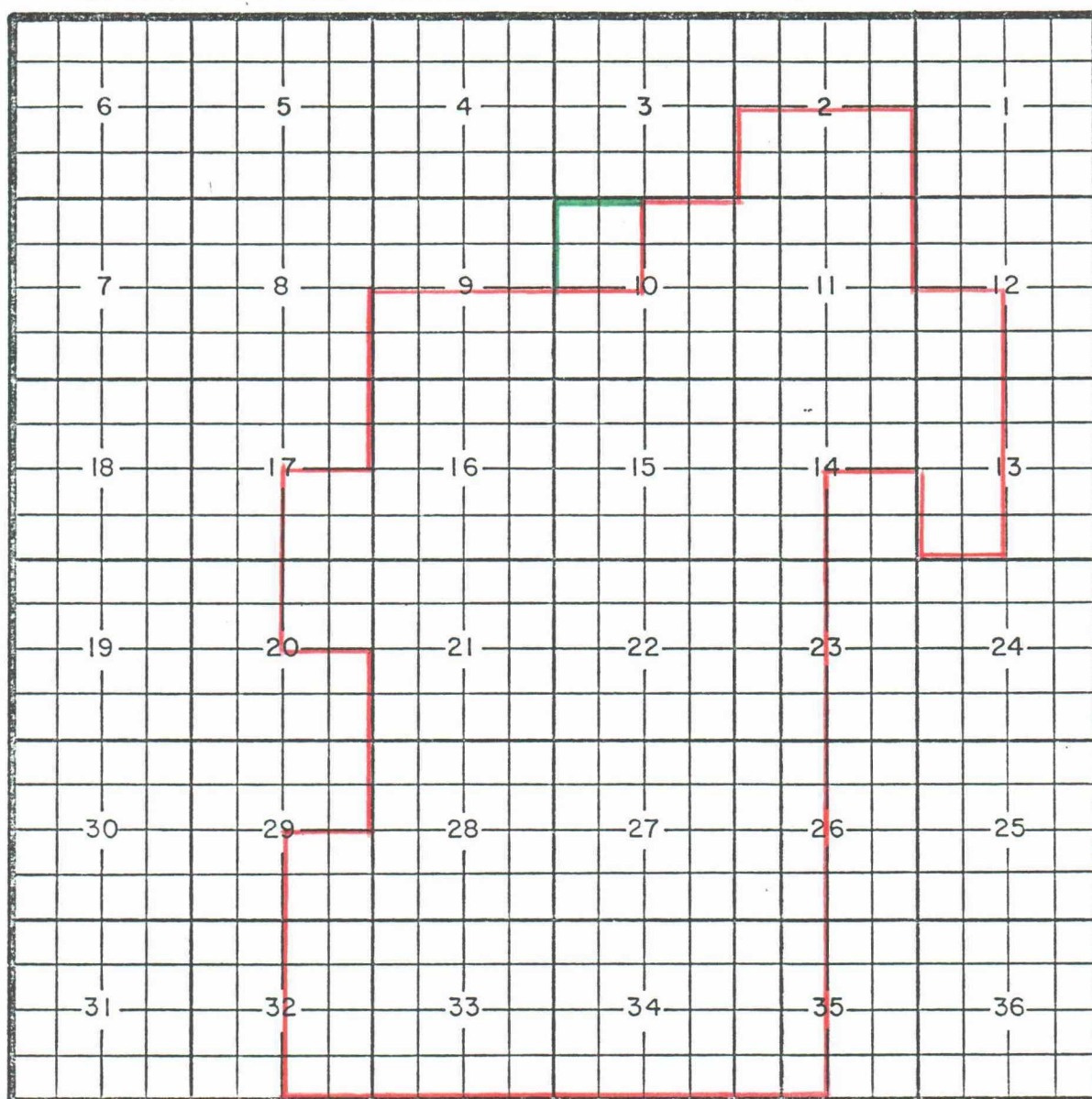
SAUNDERS PERMO-UPPER PENNSYLVANIAN

14 South

RANGE

33 East

NMPM



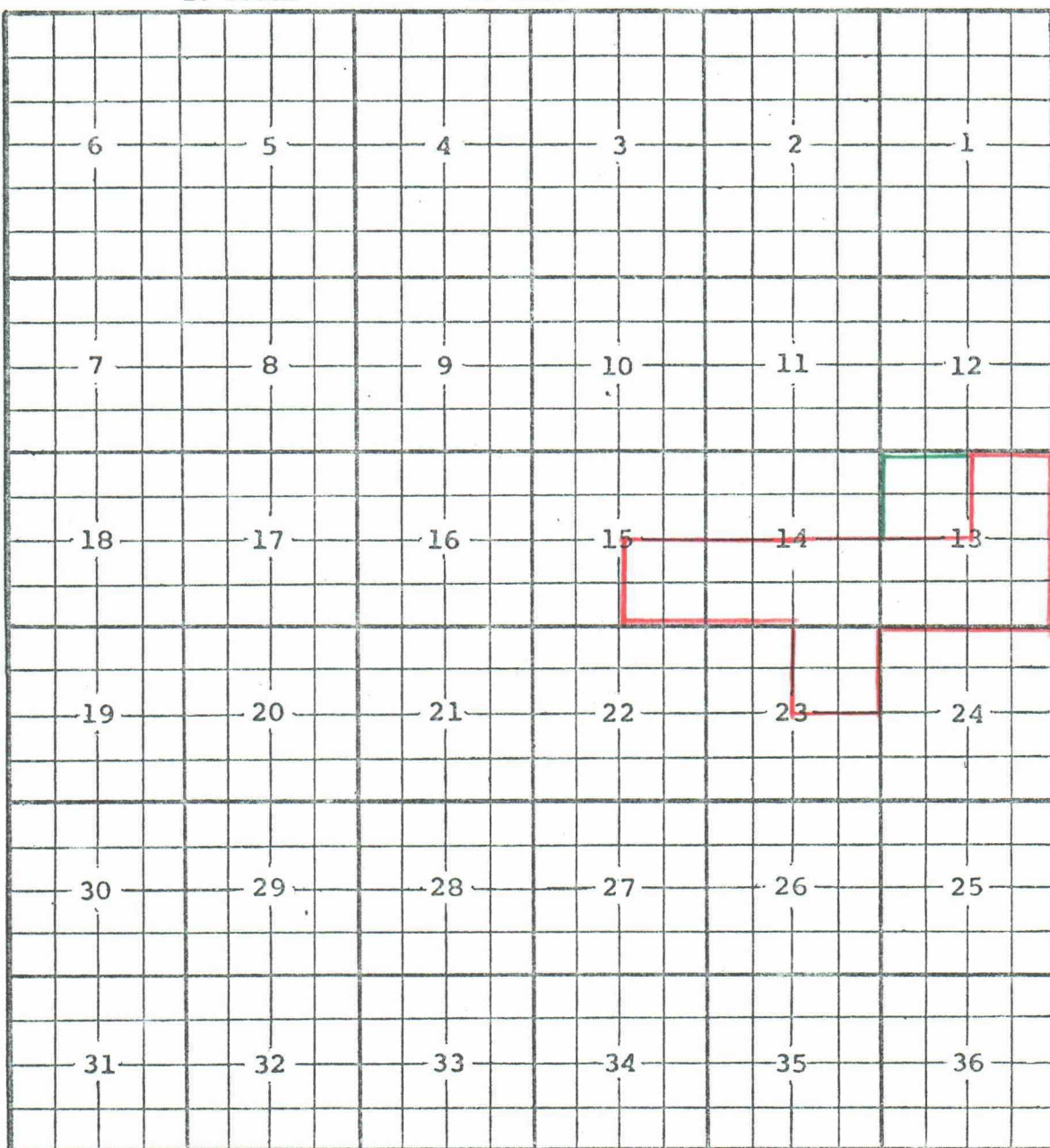
MWJ Producing Company Saunders 10 State #3-D in Sec 10, T14S, R33E, completed October 16, 1985, in the Pennsylvanian formation. Top perf 9,916 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 10: NW/4

COUNTY LEA POOL NORTH SHOE BAR-WOLFCAMP

TOWNSHIP 16 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

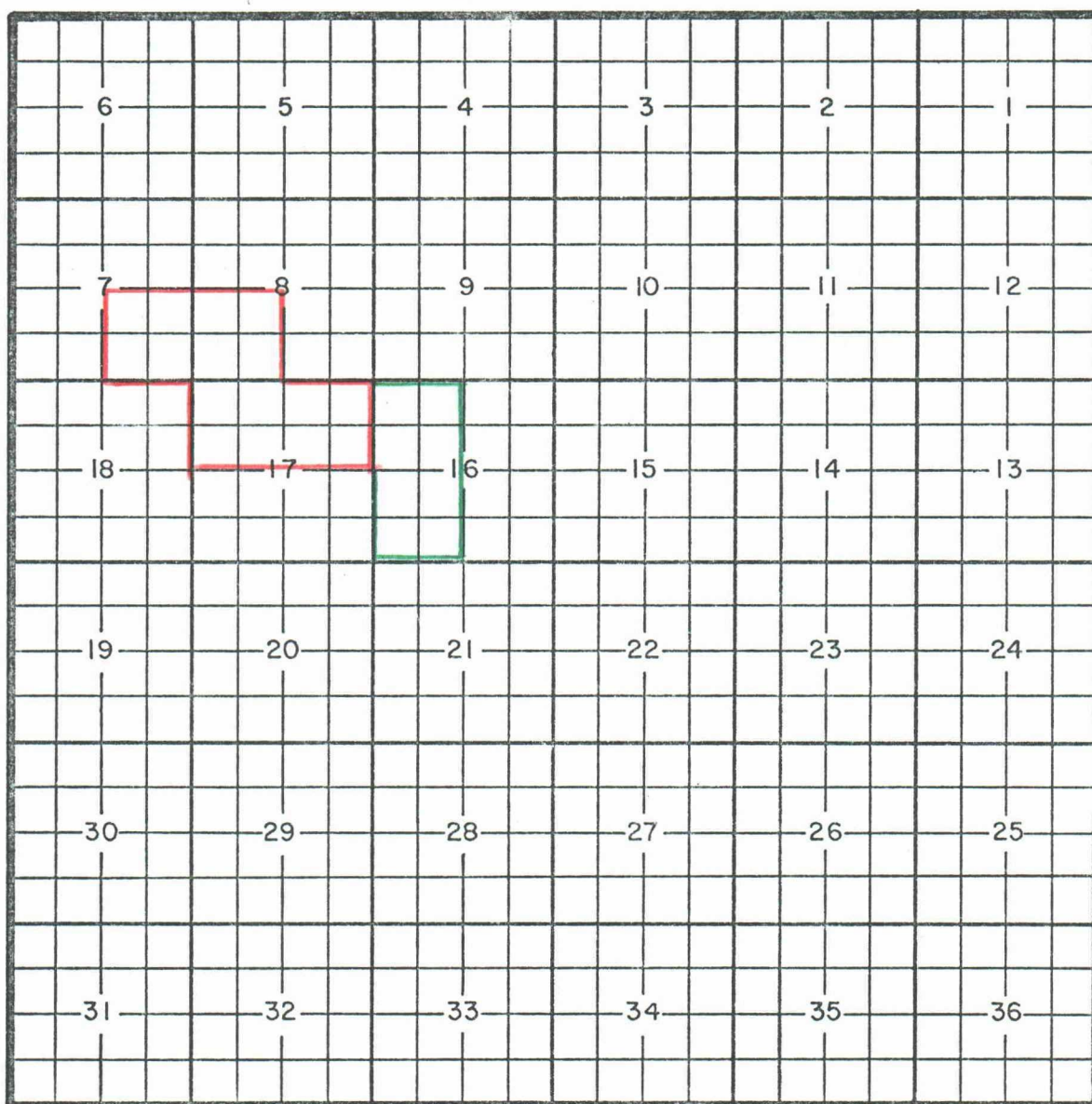
Mesa Petroleum Co. Hilburn Well #2-C in Sec 13, T16S, R35E, completed Oct. 2, 1985, in the Wolfcamp formation. Top perf 10,448 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 13: NW/4

COUNTY LEA POOL MID-VACUUM-DEVONIAN

TOWNSHIP 18 South RANGE 35 East NMPM



PURPOSE: One completed oil well capable of producing.

Maralo, Inc. Maralo sV16 State #1-L in Sec 16, T18S, R35E, completed

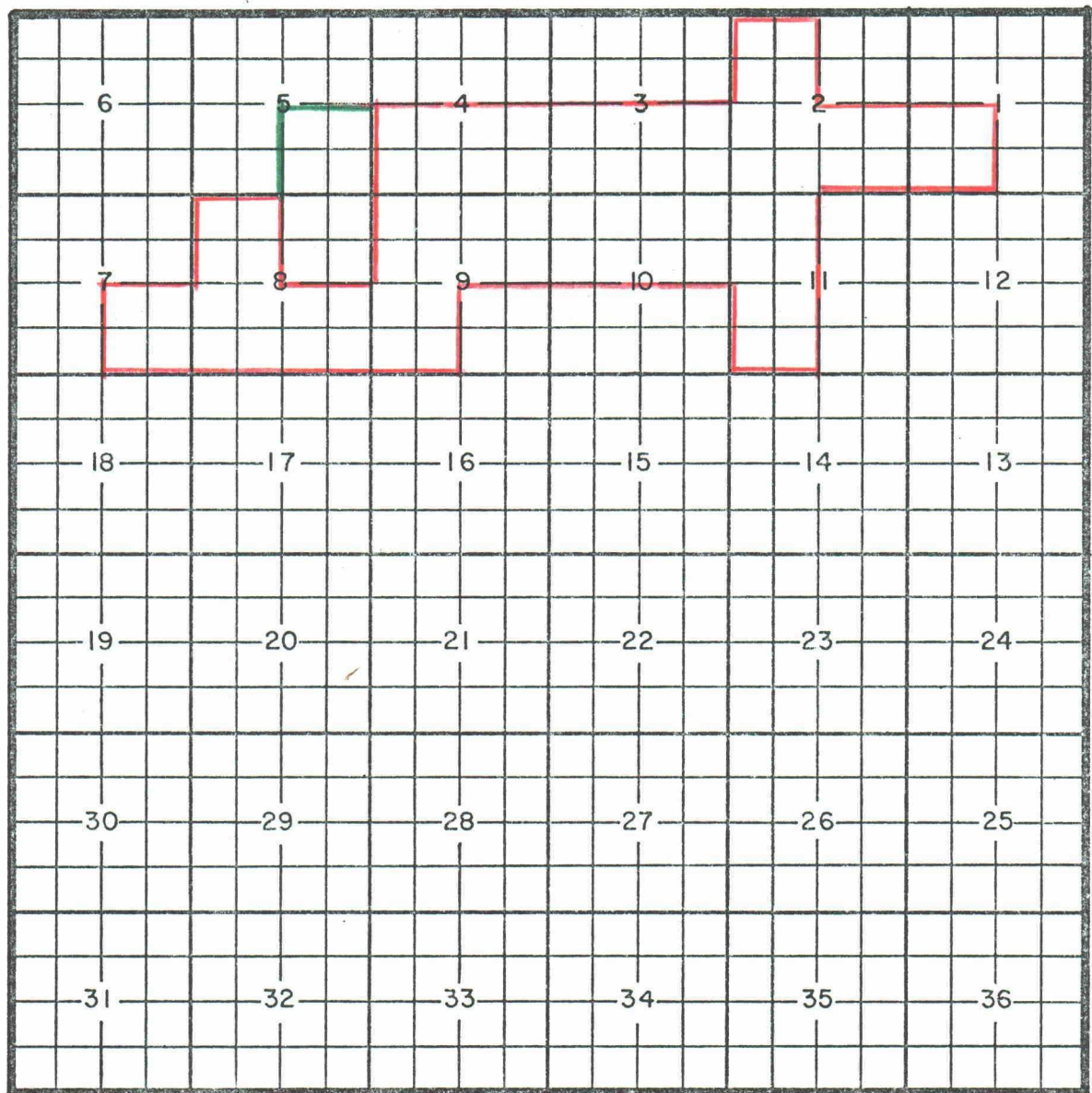
October 30, 1985, in the Devonian formation. Top perf 11,787 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 16: W/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 Blanco 5 Federal Well #1-P in Sec 5, T18S, R32E,
completed October 4, 1985, in the Bone spring formation. Top perf 8095 ft.

Pool boundary outlined in red.

Proposed Pool extension outlined in green. Section 5: SE/4

Section 8: NE/4

Dockets Nos. 1-86 and 2-86 are tentatively set for January 9 and January 22, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 18, 1985

8 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for January, 1986, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for January, 1986, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8781: Application of Petro-Thermo Corporation for an exception to Division Order No. R-3221 and for authorization to dispose of associated waste hydrocarbons and other solids, obtained in conjunction with the drilling and production of oil and gas into a disposal site on the surface, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of produced salt water onto the surface in the E/2 NE/4 of Section 16, Township 20 South, Range 32 East. Applicant further seeks authorization to dispose of associated waste hydrocarbons and other related solids, obtained in conjunction with the drilling and production of oil and gas, onto the surface in said area. Laguna Plata, sometimes referred to as Laguna Grande is located within a portion of the above-described area.

CASE 8782: Application of H & S Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cisco formation in the open hole interval from 7950 feet to 8220 feet in the Read & Stevens Scoggins Draw Unit Well No. 1-7 located 766 feet from the South line and 2086 feet from the East line (Unit 0) of Section 31, Township 18 South, Range 27 East.

CASE 8746: (Continued from November 6, 1985, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 25, Township 18 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 8783: Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from 4,325 feet beneath the surface to the base of the Bone Spring formation underlying the SE/4 NW/4 of Section 26, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. 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.

CASE 8784: Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the base of the Queen formation underlying the NW/4 NE/4 of Section 14, Township 18 South, Range 38 East, forming a standard 40-acre spacing and proration unit, to be dedicated to a well to be drilled at standard oil well location thereon. 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.

CASE 8785: Application of TXO Production Corp. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the Wolfcamp through Morrow formations underlying the E/2 of Section 2, Township 22 South, Range 27 East, forming a 320-acre, more or less, gas proration unit to be dedicated to a well to be drilled at a standard gas well location thereon. 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.

CASE 8786: (Continued from November 21, 1985, Examiner hearing)

Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Spring formation underlying the SW 1/4 NW 1/4 of Section 26, Township 18 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. 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.

CASE 8135: (Continued and Readvertised)

Application of Veryl F. Moore for exemption from the New Mexico Natural Gas Pricing Act (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Pictured Cliffs formation of Northwest New Mexico as provided in Section 62-7-6, NMSA, 1978. To be considered will be the granting of the exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office. In the absence of objection, any such application for exemption which meets the criteria set forth in OCD Order R-5436 will be granted.

CASE 8786: Application of The Eastland Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Power Grayburg (Federal) Unit Agreement comprising 427.44 acres, more or less, of Federal land in Township 18 South, Ranges 30 and 31 East.

CASE 8787: Application of The Eastland Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Power Grayburg-San Andres Pool in the proposed Power Grayburg (Federal) Unit Area underlying portions of: Section 1, Township 18 South, Range 30 East; and Sections 5 and 6, Township 18 South, Range 31 East. Applicant further seeks authorization to inject water under pressure in said project in excess of the OCD guideline of 0.2 psi per foot of depth.

CASE 8759: (Continued from November 21, 1985, Examiner Hearing)

Application of Penroc Oil Corporation for HARSHIP GAS WELL CLASSIFICATION, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Madera Com Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11, Township 24 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, is a Harship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8753: (Continued from December 4, 1985, Examiner Hearing)

Application of Mallon Oil Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the N/2 of Section 13, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. 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.

CASE 8788: Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the E/2 of Section 12, Township 25 North, Range 2 West, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 8789: Application of Geo Engineering, Inc. for a unit agreement and for authorization for a unit plan of development to more efficiently recover primary reserves and for the purpose of secondary recovery, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit area for the Mesaverde formation encompassing 1580 acres, more or less, of State and Fee lands underlying either all or portions of Sections 10, 21, 22, 27, 28, 29, and 30, Township 20 North, Range 9 West. Applicant further seeks an order authorizing a plan of development within said unit area to include:

- 1) an exception to Division General Rule 104.F., to provide for oil wells to be located not nearer than 155 feet to the unit boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary;
- 2) an exception to Division General Rule 104.C.1., allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and,
- 3) the adoption and promulgation of special rules and procedures providing for an administrative procedure to initiate waterflood projects within the unit area.

CASE 8689: (Continued from November 6, 1985, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying a previously approved 120-acre non-standard proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to its Justis Christmas Gas Com Well No. 1 located 2225 feet from the North line and 790 feet from the West line of said Section 20. 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.

CASE 3775: (Continued and Readvertised)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SW/4 of Section 23, Township 5 South, Range 25 East, Undesignated Pecos Slope Abo Gas Pool, to be dedicated to a well to be drilled at a standard gas well location thereon. 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.

CASE 3773: (Continued from December 4, 1985, Examiner Hearing)

Application of Bliss Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing J. W. Grizzell "A" Well No. 1 located 1034 feet from the South line and 2635 feet from the West line of Section 5, Township 22 South, Range 37 East, San Andres formation, the SW/4 of said Section 5 to be dedicated to said well.

CASE 8744: (Continued from December 4, 1985, Examiner Hearing)

Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbore of all existing wells and all wells subsequently to be drilled in the Jicarilla "L" and "N" Leases in Townships 24 and 25 North, Range 5 West.

CASE 8736: (Continued and Readvertised)

Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the N/2 of Section 13, Township 25 North, Range 2 West, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 3735: (Continued from November 21, 1965, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 2, Township 19 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 3737: (Continued from November 21, 1965, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the SW/4 of Section 30, Township 15 South, Range 18 East, and all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of said Section 30, to be dedicated to a well to be drilled at a standard location thereon. 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.

CASE 3739: The Application of the Oil Conservation Division on its own motion to amend Division Order No. R-8062 and the special pool rules for and the horizontal limits of the Shipp-Strawn Pool, and to contract the East Lovington-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to correct the discovery allowable assigned in Order R-8062; to amend said special rules as to pool limits and expansion; to require well locations within 150 feet of the center of a quarter-quarter section, and to transfer acreage in the NW/4 of Section 4, Township 17 South, Range 37 East, from the East Lovington-Pennsylvanian Pool to the Shipp-Strawn Pool.CASE 3791: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, correcting and extending certain pools in Lea County, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Hobbs Channel-Wolfcamp Pool. The discovery well is the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 25: NW/4

- (b) CORRECT the location of the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, created by Order R-8075 to read as follows:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM

Section 22: E/2

- (c) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 22: W/2

- (d) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 21: NW/4

- (e) EXTEND the EK-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 25: NW/4

- (f) EXTEND the Hume-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 7: N/2

- g) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 13: SE 1/4

Section 28: NW 1/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 18: N/2

- (h) EXTEND the Matjamar-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 4: NW/4, N/2 SW/4, and SE/4 SW/4

Section 9: E/2 NW/4

- (i) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 13: NW/4

Section 14: N/2

- (j) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 10: SE/4

Section 15: NE/4

- (k) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 21: SE/4

- (l) EXTEND the Reeves-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 11: SE/4

- (m) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 10: NW/4

- (n) EXTEND the North Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 13: NW/4

- (o) EXTEND the Mid-Jacobs-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: NW/2

- (p) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 5: SE/4

Section 8: NE/4

Case 8791

DISTRICT I

NOMENCLATURE ADVERTISEMENT FOR DECEMBER, 1985

In the matter of the application of the Oil Conservation Division of the Energy and Minerals Department upon its own motion for an order for the creation of a new pool in Lea County, New Mexico, correction of the location of a pool created by Order R-8075, and the extension of certain existing pools in Lea County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to show cause why such creations, corrections, and extensions should not be made.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Hobbs Channel-Wolfcamp Pool. The discovery well is the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM ✓
Section 25: NW/4

(b) CORRECT ^{the} location of ^{the} Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, created by Order R-8075 to read as follows:

TOWNSHIP 24 South, Range 33 EAST, NMPM ✓
Section 22: E/2

(c) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM ✓
Section 22: W/2

(d) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM ✓
Section 21: NW/4

(e) EXTEND the EK-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM ✓
Section 25: NW/4

(f) EXTEND the Hume-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM ✓
Section 7: N/2

(g) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM ✓
Section 13: SE/4
Section 23: NW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM ✓
Section 18: W/2

Nomenclature Advertisement for December, 1985

(h) EXTEND the Maljamar-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM ✓
Section 4: NW/4, N/2 SW/4, and SE/4 SW/4
Section 9: E/2 NW/4

(i) EXTEND the Mescalero Escarpe-Bone ~~S~~ Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM ✓
Section 13: NW/4
Section 14: N/2

(j) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM ✓
Section 10: SE/4
Section 15: NE/4

(k) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM ✓
Section 21: SE/4

(l) EXTEND the Reeves-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM ✓
Section 11: SE/4

(m) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM ✓
Section 10: NW/4

(n) EXTEND the North ^{Shoe Bar} ~~Shoe Bar~~-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM ✓
Section 13: NW/4

(o) EXTEND the Mid-Vacuum-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM ✓
Section 16: W/2

(p) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM ✓
Section 5: SE/4
Section 8: NE/4

Case 8791

DISTRICT I

NOMENCLATURE ADVERTISEMENT FOR DECEMBER, 1985

In the matter of the application of the Oil Conservation Division of the Energy and Minerals Department upon its own motion for an order for the creation of a new pool in Lea County, New Mexico, correction of the location of a pool created by Order R-8075, and the extension of certain existing pools in Lea County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to show cause why such creations, corrections, and extensions should not be made.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Hobbs Channel-Wolfcamp Pool. The discovery well is the Harvey E. Yates company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 25: NW/4

(b) CORRECT location of Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, created by Order R-8075 to read as follows:

TOWNSHIP 24 south, range 33 EAST, NMPM
Section 22: E/2

(c) EXTEND the South Corbin-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 22: W/2

(d) EXTEND the Lower Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 21: NW/4

(e) EXTEND the EK-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 25: NW/4

(f) EXTEND the Hume-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 7: N/2

(g) EXTEND the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 13: SE/4
Section 23: NW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 18: W/2

Nomenclature Advertisement for December, 1985

(h) EXTEND the Maljamar-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 4: NW/4, N/2 SW/4, and SE/4 SW/4
Section 9: E/2 NW/4

(i) EXTEND the Mescalero Escarpe-Bone spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 13: NW/4
Section 14: N/2

(j) EXTEND the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 10: SE/4
Section 15: NE/4

(k) EXTEND the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 21: SE/4

(l) EXTEND the Reeves-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 11: SE/4

(m) EXTEND the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 10: NW/4

(n) EXTEND the North Shoebar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 13: NW/4

(o) EXTEND the Mid-Vacuum-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2

(p) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 5: SE/4
Section 8: NE/4

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8791
Order No. R-8125

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CORRECTING, AND EXTENDING
HORIZONTAL LIMITS OF CERTAIN POOLS IN
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of January, 1986, 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 Hobbs Channel-Wolfcamp Pool. Said Hobbs Channel-Wolfcamp Pool was discovered by the Harvey E. Yates Company Howry 25 Well No. 1 located in Unit E of Section 25, Township 17 South, Range 37 East, NMPM. It was completed in the Wolfcamp formation on August 12, 1985. The top of the perforations is at 10,054 feet.

(3) There is need for the correction of the location of the Johnson Ranch-Wolfcamp Gas Pool created by Order No. R-8747 from Range 32 to Range 33 due to an error in the original order.

(4) There is need for certain extensions to the South Corbin-Strawn Pool, the Double A-Abo Pool, the EK-Bone Spring Pool, the Hume-Morrow Gas Pool, the Lea-San Andres Pool, the

Maljamar Grayburg-San Andres Pool, the Mescalero-Bone Spring Pool, the Pearl-Queen Pool, the Querecho Plains-Queen Associated Pool, the Reeves-Pennsylvanian Pool, the Saunders Permo-Upper Pennsylvanian Pool, the North Shoe Bar-Wolfcamp Pool, the Mid Vacuum-Devonian 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 Hobbs Channel-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 25: NW/4

(b) The description of the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, as shown in Division Order No. R-8747, is hereby corrected to read as follows:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 22: E/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 22: W/2

(d) The Lower Double A-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 21: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 25: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 7: N/2

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 13: SE/4

Section 23: NW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 18: W/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 4: NW/4, N/2 SW/4, and

SE/4 SW/4

Section 9: E/2 NW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 13: NW/4

Section 14: N/2

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 10: SE/4

Section 15: NE/4

(k) The Querecho Plains-Queen Associated 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 21: SE/4

(l) The Reeves-Pennsylvanian 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 11: SE/4

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

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 10: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 13: NW/4

(o) The Mid-Vacuum-Devonian 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 16: W/2

(p) 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 5: SE/4
Section 8: 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,

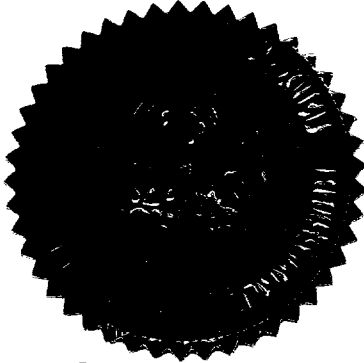
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Case No. 8791

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corrections, and extensions included herein shall be February 1, 1986.

DONE in Santa Fe, New Mexico, on the day and year herein-
above designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

fd/