

DISTRICT I

Case 5930

NOMENCLATURE ADVERTISEMENT FOR JUNE, 1986

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, discovery allowable assignment, reclassification, and extensions 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, discovery allowable, reclassification, and extensions should not be made.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the North Lovington-Queen Pool. The discovery well is the Lynx Petroleum Consultants Inc. Geraldine Doughty Well No. 1 located in Unit K of Section 25, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 25: SW/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas well for Mississippian production and designated as the South Shoe Bar-Mississippian Gas Pool. The discovery well is the Manzano Oil Corporation Apple MS Well No. 1 located in Unit C of Section 12, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 12: N/2

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Stallion-Devonian Pool. Further, assign approximately 60,845 barrels of discovery allowable to the discovery well, the American Trading & Production Corporation Lowe Federal Well No. 1 located in Unit D of Section 7, Township 13 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

(d) RECLASSIFY the Scharb-Queen Gas Pool in Lea County, New Mexico, to the Scharb-Queen Oil Pool due to the reclassification of the only producing well in the pool from gas to oil.

(e) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 14: NE/4

Nomenclature Advertisement for June, 1986

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

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

(g) EXTEND the Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

(h) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 5: NE/4

(i) EXTEND the San Simon-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

(j) EXTEND the WEst Tonto-Bone Spring Pool in Lea County, New Mexico, to include therein:

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

NEW POOLS

It is recommended that a new Oil pool be created and designated as the North Lovington-Queen Pool.

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

Discovery well was Lynx Petroleum Consultants, Inc. Geraldine Doughty #1 located in Unit K Section 25 Township 16 Range 36 and was completed on March 20, 1986. Top of perforations is at 3,988 feet.

It is recommended that a new Gas pool be created and designated as the South Shoe Bar-Mississippian Gas Pool.

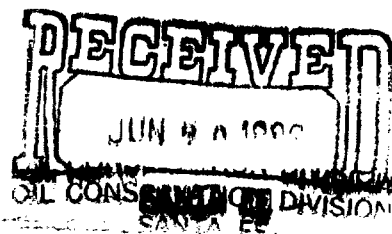
Vertical limits to be the Mississippian formation and the horizontal limits should be as follows: As outlined in Paragraph (b) Exhibit I

Discovery well was Manzano Oil Corporation Apple MS #1 located in Unit C Section 12 Township 17 Range 35 and was completed on March 25, 1986. Top of perforations is at 13,024 feet.

It is recommended that a new Oil pool be created and designated as the Stallion-Devonian Pool.

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

Discovery well was American Trading & Production Corporation Lowe Federal #1 located in Unit D Section 7 Township 13 Range 38 and was completed on April 24, 1986. Top of perforations is at 12,190 feet.



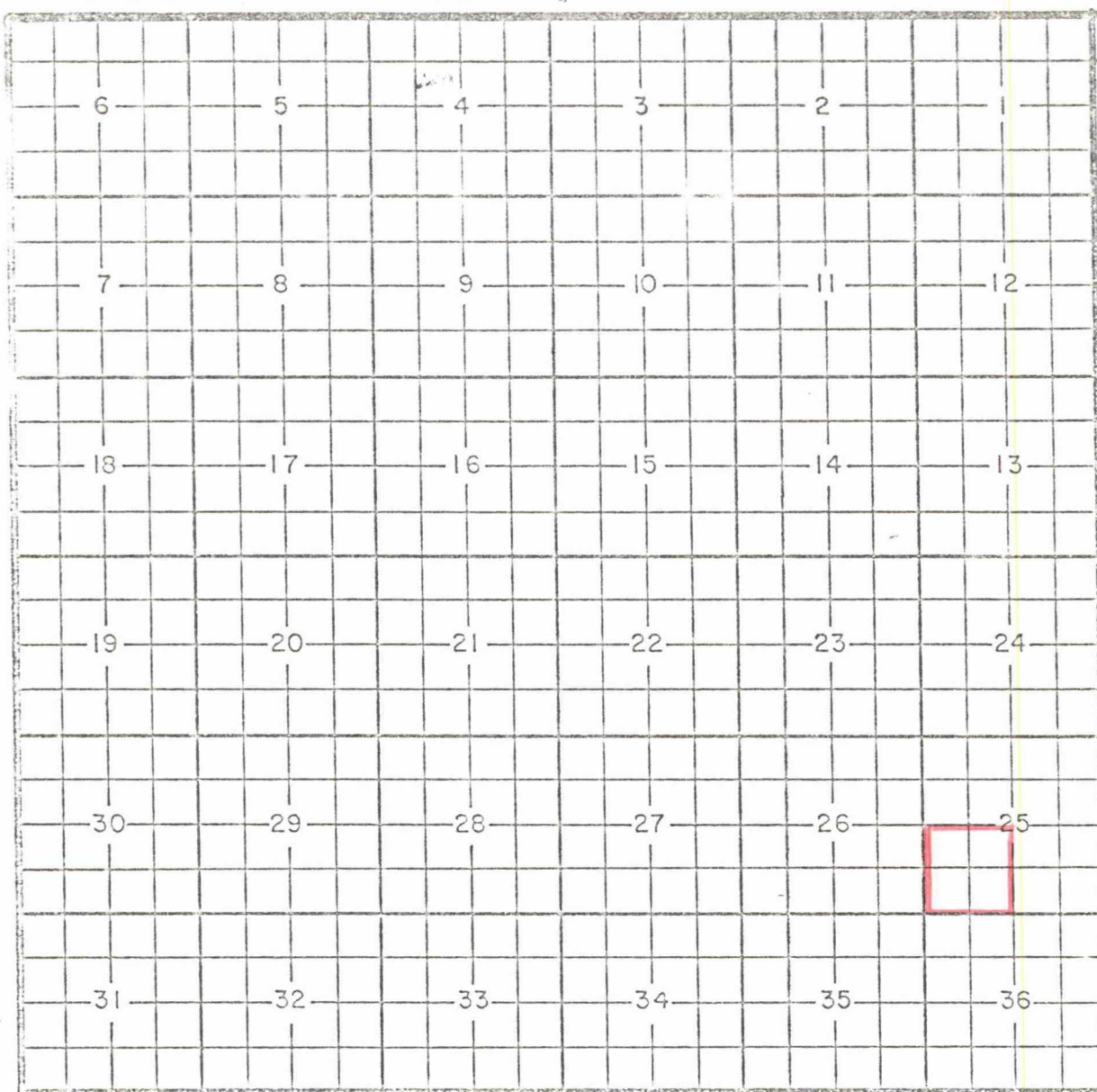
COUNTY LEA

POOL NORTH LOVINGTON-QUEEN

TOWNSHIP 16 South

RANGE 36 East

NMPM



PURPOSE: One completed oil well capable of producing.

Lynx Petroleum Consultants, Inc. Geraldine Doughty #1-K in Sec. 25, T16S, R36E, completed March 20, 1986, in the Queen formation. Top perforations is at 3,988 feet.

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

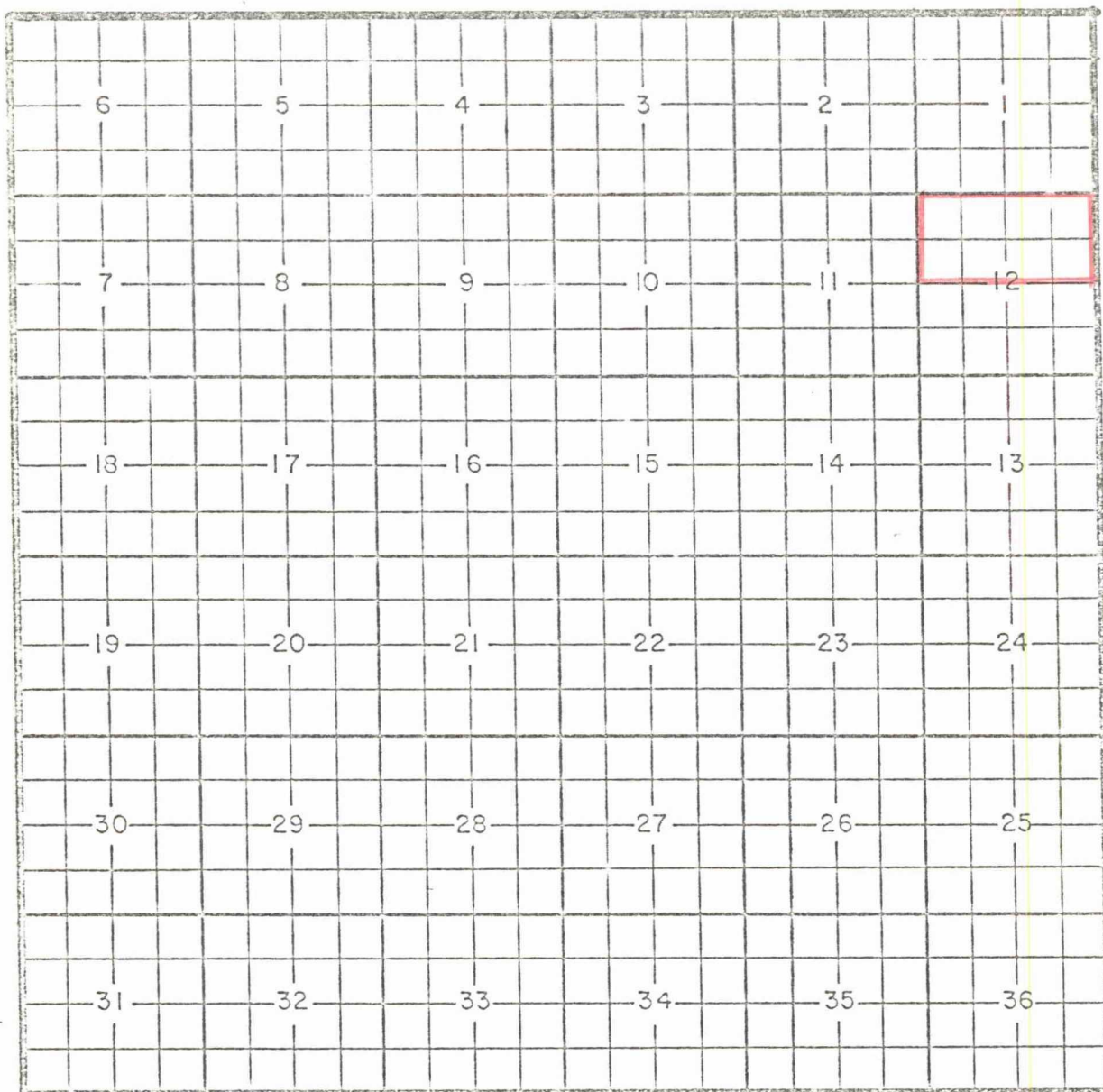
COUNTY LEA

POOL SOUTH SHOE BAR-MISSISSIPPIAN GAS

TOWNSHIP 17 South

RANGE 35 East

NMPM



PURPOSE: One completed gas well capable of producing.

Manzano Oil Corporation Apple MS #1-C, in Sec. 12, T17S, R35E, completed March 25, 1986, in the Mississippian formation. Top perforations is at 13,024 feet.

Proposed pool boundary outlined in red. Section 12: N/2

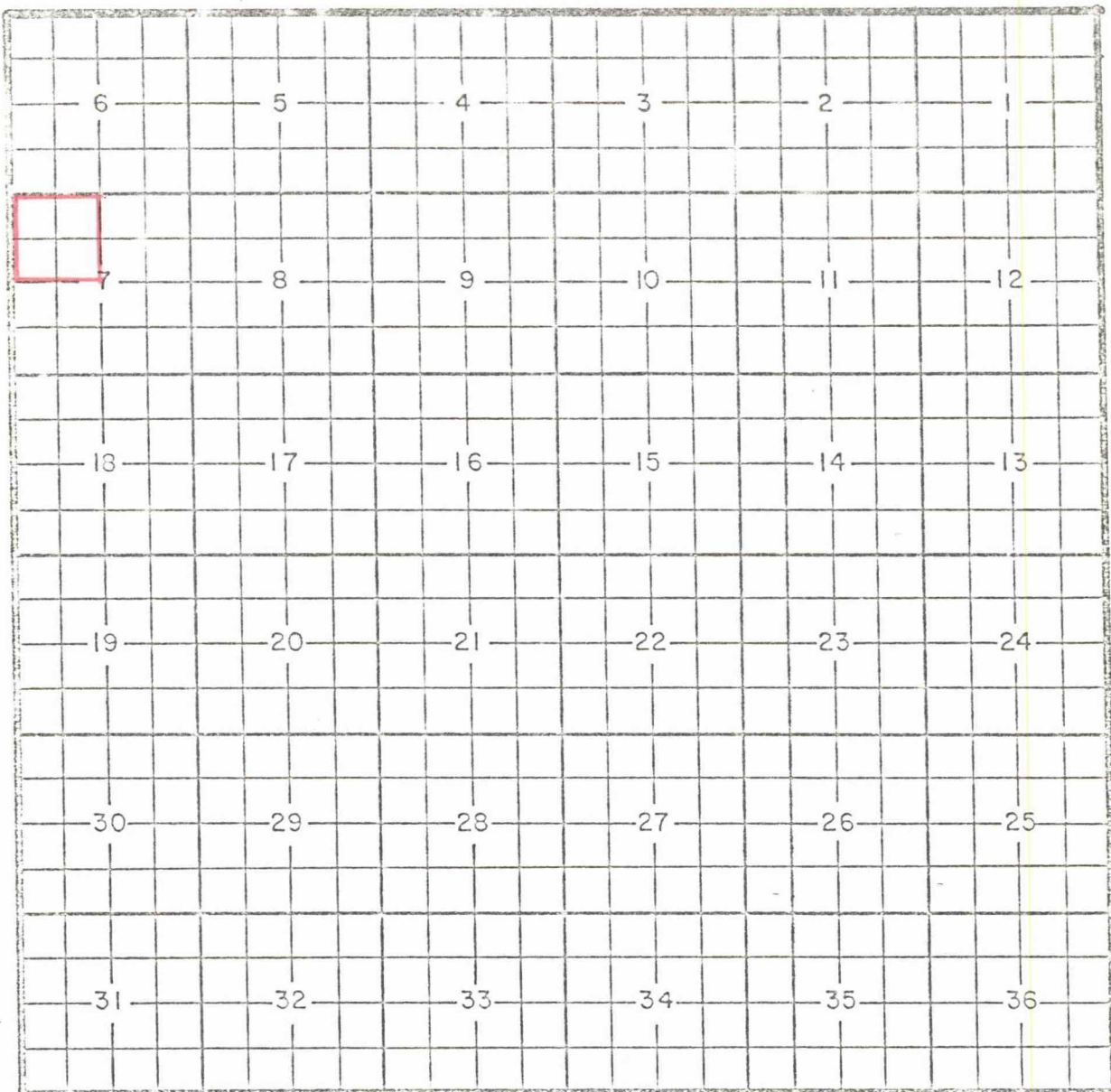
COUNTY LEA

POOL STALLION-DEVONIAN

TOWNSHIP 13 South

RANGE 38 East

NMPM



PURPOSE: One completed oil well capable of producing.

American Trading & Production Corporation Lowe Federal #1-D in Sec. 7, T13S, R38E, completed April 24, 1986, in the Devonian formation. Top perforations is at 12,190 feet. Also, assign a discovery allowable of 60845 barrels.

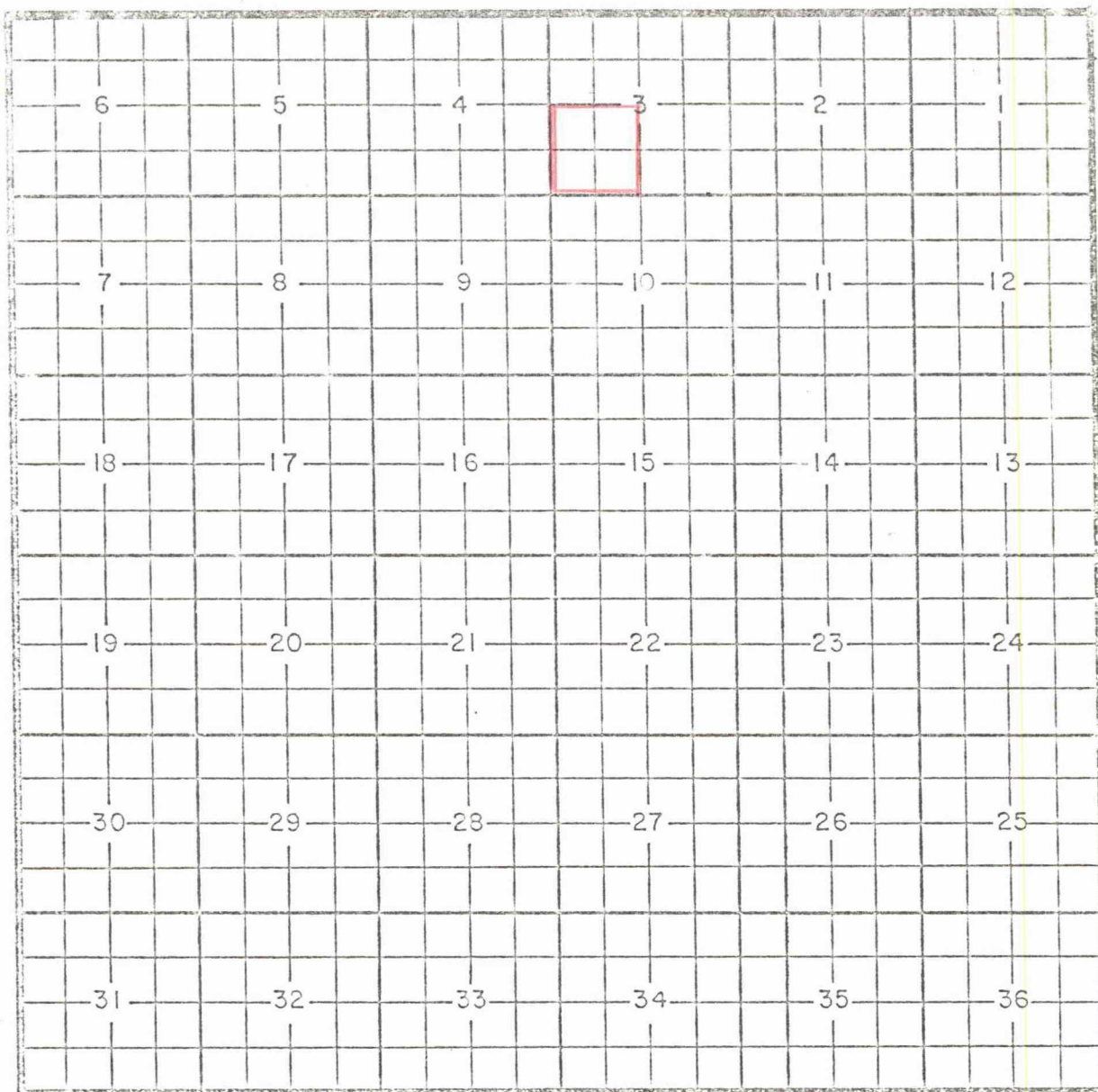
Proposed pool boundary outlined in red. Section 7: NW/4

COUNTY LEA

POOL SCHARB-QUEEN GAS to SCHARB-QUEEN OIL

TOWNSHIP 19 South RANGE 35 East

NMPM



PURPOSE: Due to the reclassification of the only well in this pool from
gas to oil. Western Oil Producers, Inc. Fee KJ #1-N in Sec. 3,
T19S, R35E.

Pool boundary outlined in red. Section 3: SW/4

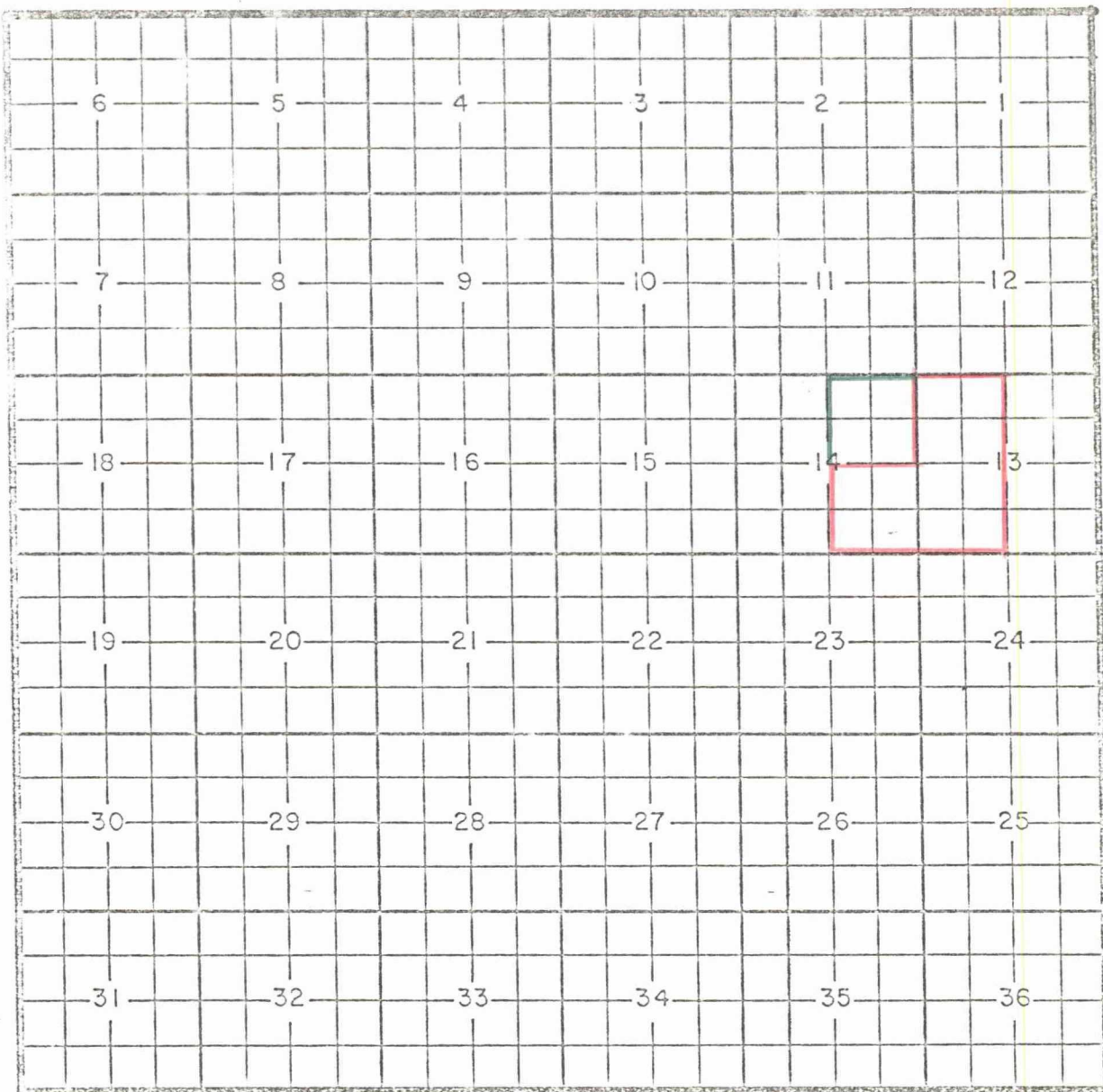
COUNTY LEA

POOL SOUTH HUMBLE CITY-STRAWN

TOWNSHIP 17 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Inexco Oil Company Lea Farms #2-H in Sec. 14, T17S, R37E, completed May 3, 1986 in the Strawn formation. Top perforations is at 11,512 feet.

Pool boundary outlined in red.

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

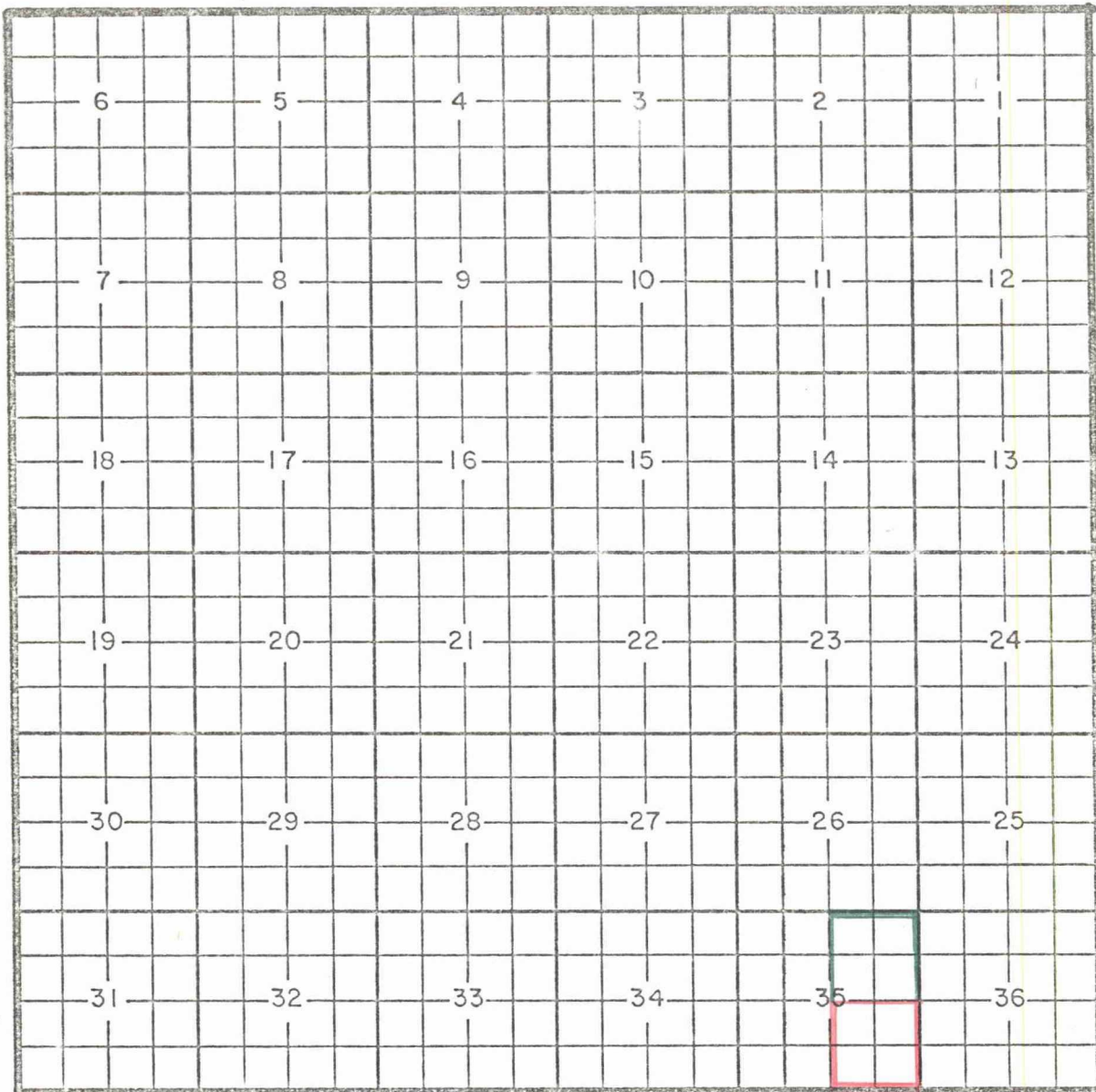
COUNTY LEA

POOL KING-PENNSYLVANIAN

TOWNSHIP 13 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

Cabot Petroleum Corporation J. L. Reed #5-H in Sec. 35, T13S, R37E, completed April 14, 1986 in the Pennsylvanian formation. Top perforations is at 10,418 ft.

Pool boundary outlined in red.

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

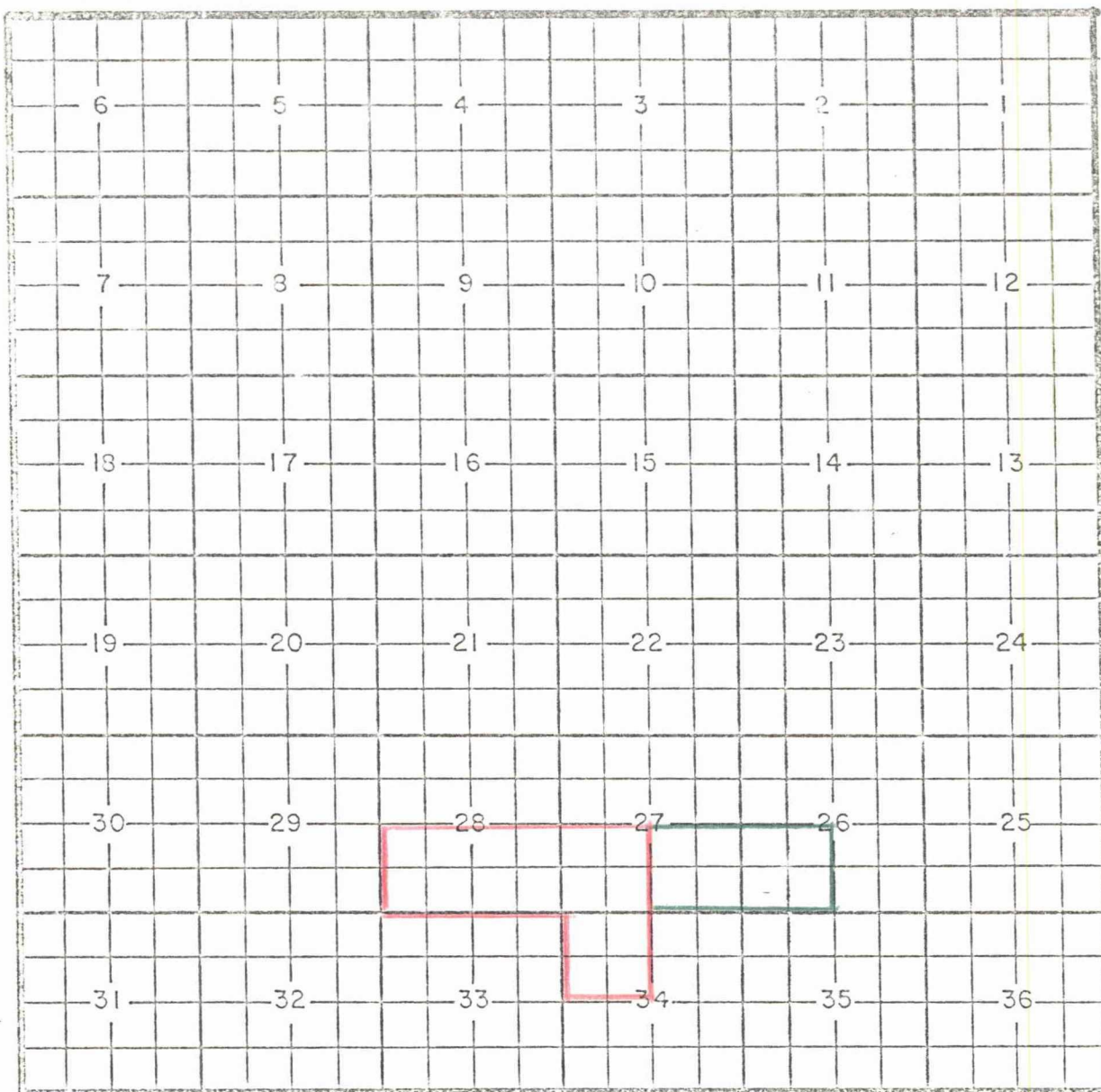
COUNTY LEA

POOL QUERECHO PLAINS-LOWER BONE SPRING

TOWNSHIP 18 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

JFG Enterprises PE-JE-AN Federal #1-K in Sec. 26, T18S, R32E, completed

May 6, 1986, in the Bone Spring formation. Top perforations is at 9,374 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 26: SW/4

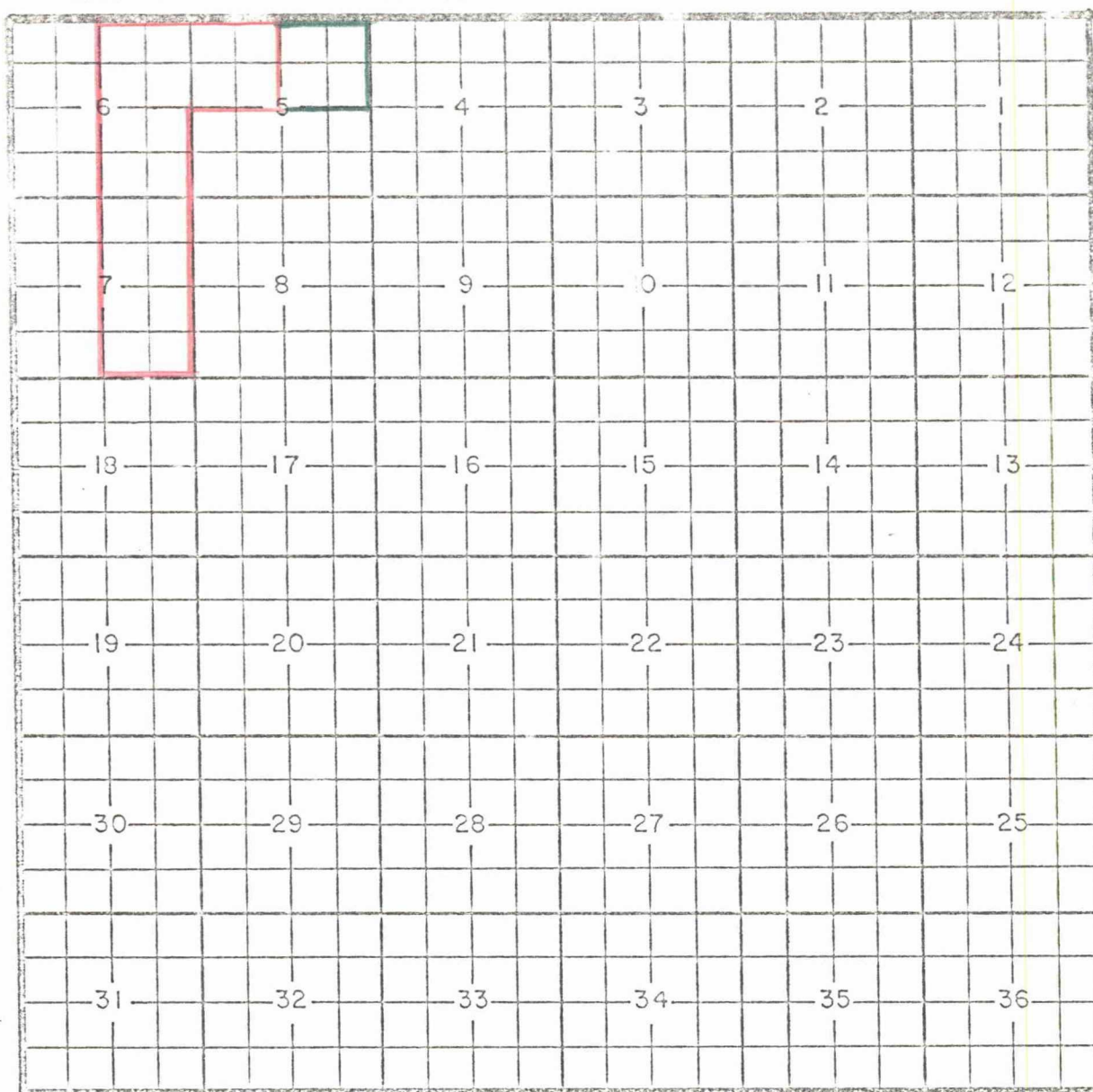
Section 27: SE/4

COUNTY LEA

POOL SAN SIMON-WOLFCAMP

TOWNSHIP 22 South RANGE 35 East

NMPM



PURPOSE: One completed oil well capable of producing.

HNG Oil Company San Simon 5 State #2-G in Sec. 5, T22S, R35E, completed

May 8, 1986, in the Wolfcamp formation. Top perforations is at 11,073 feet.

Pool boundary outlined in red.

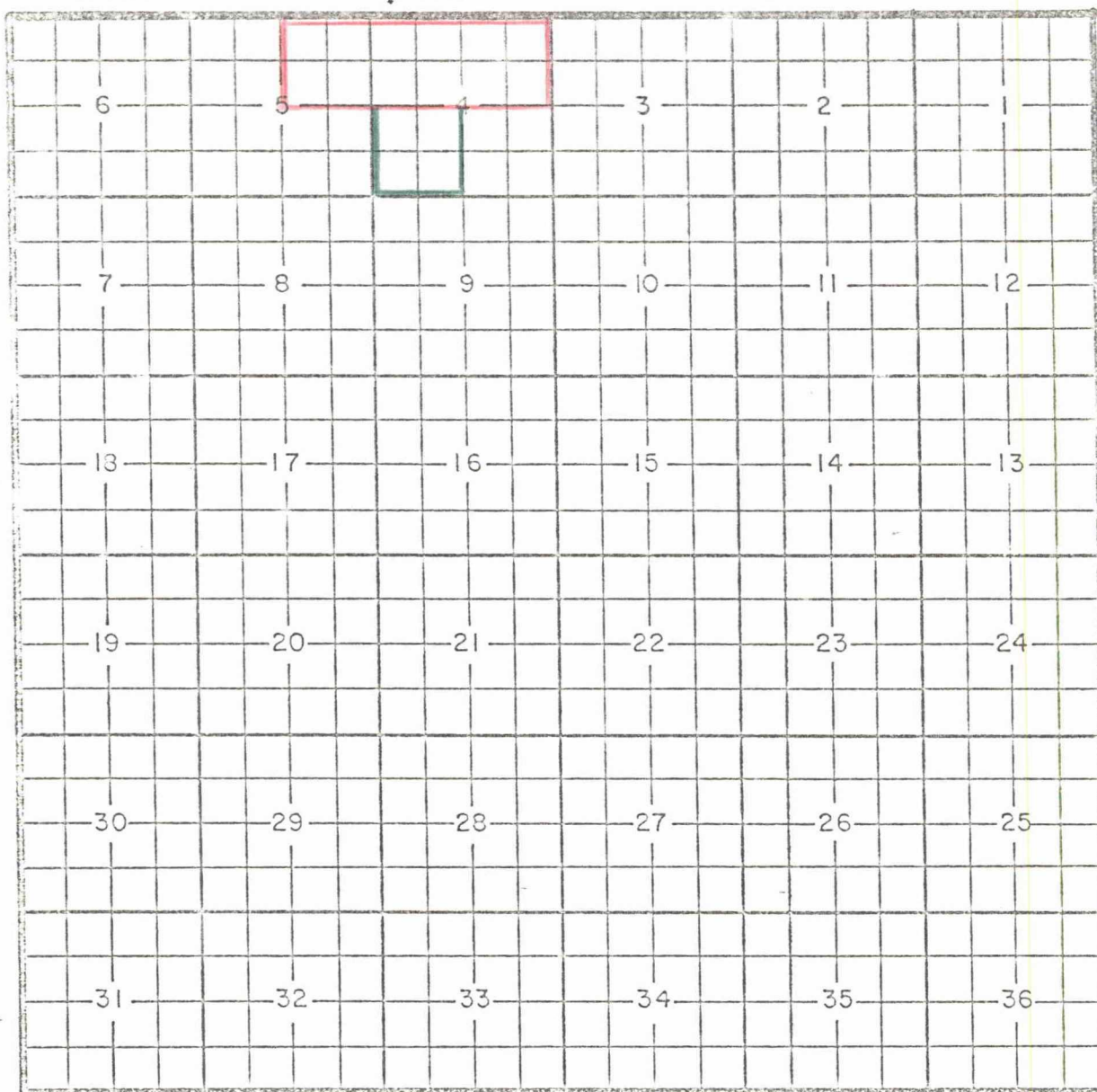
Proposed pool extension outlined in green. Section 5: NE/4

COUNTY LEA

POOL SAN SIMON-YATES

TOWNSHIP 22 South RANGE 35 East

NMPM



PURPOSE: One completed oil well capable of producing.

Tempo Energy Inc. San Simon State #3-L in Sec. 4, T22S, R35E, completed April 21, 1986, in the Yates formation. Top perforations is at 3,960 feet.

Pool boundary outlined in red.

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

COUNTY LEA

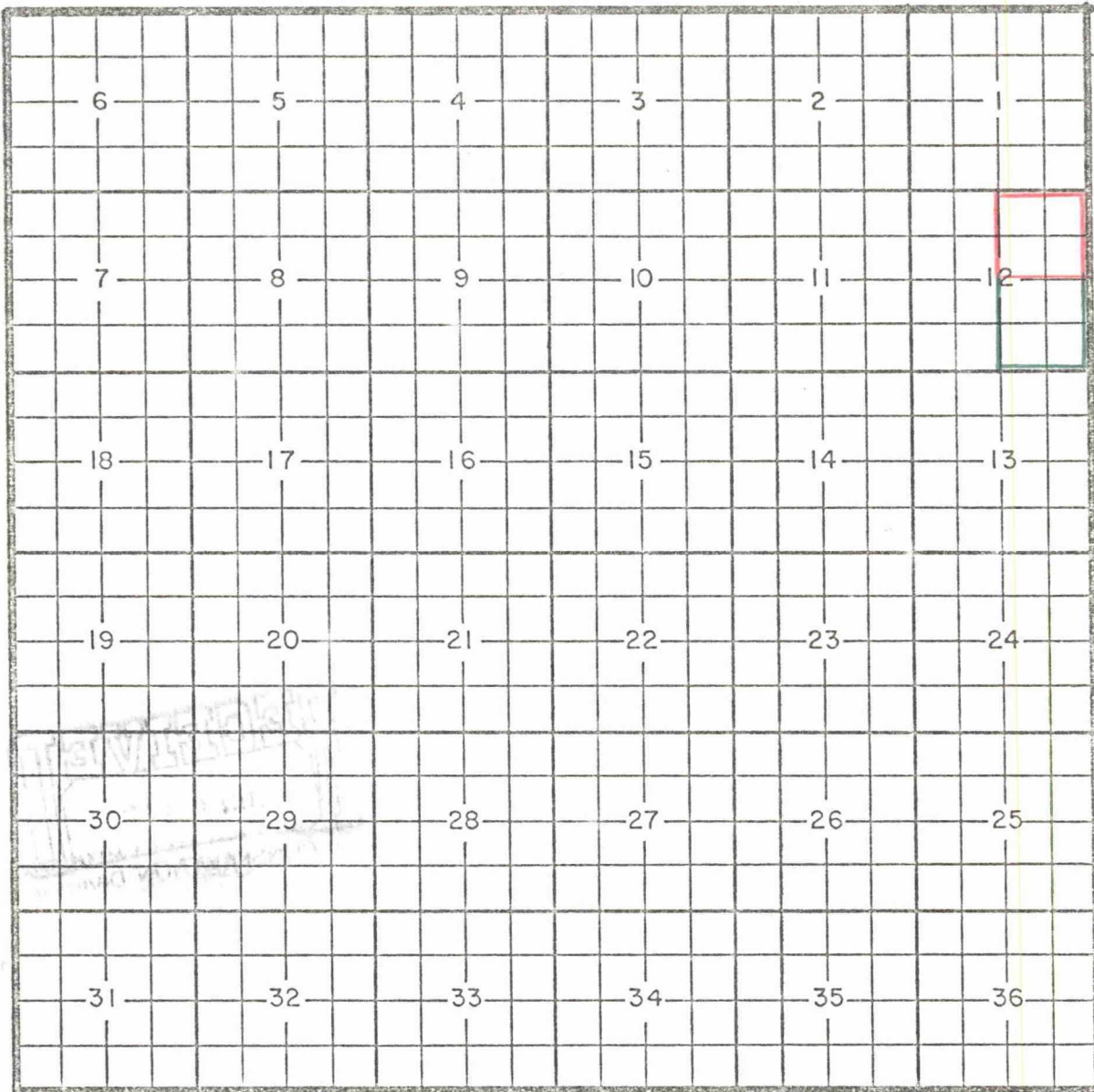
POOL WEST TONTO-BONE SPRING

TOWNSHIP 19 South

RANGE

32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Mitchell Energy Corporation Federal SB #1-J in Sec. 12, T19S, R32E,
completed April 21, 1986, in the Bone Spring formation. Top perforations
8,809 feet.

Pool boundary outlined in red.

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