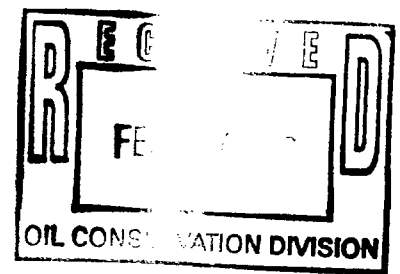


PROPOSED ADVERTISEMENT



Case 11491: Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 20, Township 22 South, Range 28 East, NMPM, and in the following manner: The N $\frac{1}{2}$ of Section 20 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Dublin Ranch-Atoka Gas Pool, the Undesignated Dublin Ranch-Morrow Gas Pool, and the Undesignated Otis-Morrow Gas Pool; the NW $\frac{1}{4}$ of Section 20 to form a standard 160-acre gas spacing and proration unit for any and all pools and/or formations developed on 160-acre spacing within said vertical extent; and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20 to form a standard 40-acre oil spacing and proration unit for any and all pools and/or formations developed on 40-acre spacing within said vertical extent, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool. Said unit is to be dedicated to Applicant's Foal Fed. Well No. 1, to be drilled at an orthodox well location 660 feet from the North line and 1,980 feet from the West line (Unit C) of the section. 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 the risk involved in drilling said well. Said unit is located approximately seven miles North of Loving, New Mexico.