Examiner Hearing – June 10, 1999 Docket No. 17-99 Page 5 of 6

CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Sage Draw-Wolfcamp Gas Pool. The discovery well is the Chevron U.S.A., Inc. Marquardt Federal Com. Well No. 2 located in Unit F of Section 12, Township 25 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 12: N/2

(d)

(e) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 13: S/2

(f) EXTEND the Empire-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 21: NE/4

(g) EXTEND the Empire-Yeso Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 30: SW/4

(h) EXTEND the West Indian Flats-Strawn Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 16: N/2 Section 17: N/2

(i) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 30: S/2

(j) EXTEND the Southeast Rocky Arroyo-Canyon Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 22: N/2

(k) EXTEND the Russell-Lower Yates Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 14: E/2 Section 23: W/2

(1) EXTEND the Sand Dunes-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 25: NW/4 Section 26: N/2

(m) EXTEND the Shugart-Wolfcamp Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 22: SE/4 Section 23: S/2

(n) EXTEND the Travis-Wolfcamp Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 33: N/2 and SW/4

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 4: NW/4

Examiner Hearing – June 10, 1999 Docket No. 17-99 Page 6 of 6

(o) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM Section 14: All

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 12200:

In the matter of the hearing called by the Oil Conservation Division for an order redesignating a certain pool in Lea County, New Mexico.

(a) REDESIGNATE the South Hardy-Strawn Pool in Lea County, New Mexico, as the North Hardy-Strawnpool.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.