Status Report on Southeast New Mexico Deep Gas Pools

The Downhole Commingling Committee reviewed for the purposes of advanced approval the deep gas pools of Southeast New Mexico. The committee declined to include any of the pools in the group of pre-approved pools being presented today for logistical reasons. Specifically, to evaluate the large number of Atoka and Morrow pools using the criteria applied by the committee to the other, much larger well count pools required an expenditure of time and manpower that was beyond the scope of the committee as constituted.

It is important to note that the committee feels that there are many deep gas pools in Southeast New Mexico that meet the criteria the committee set forth for pre-approved status. The committee endorses the creation of a follow-up group to identify and submit a list of deep gas pools for pre-approval.