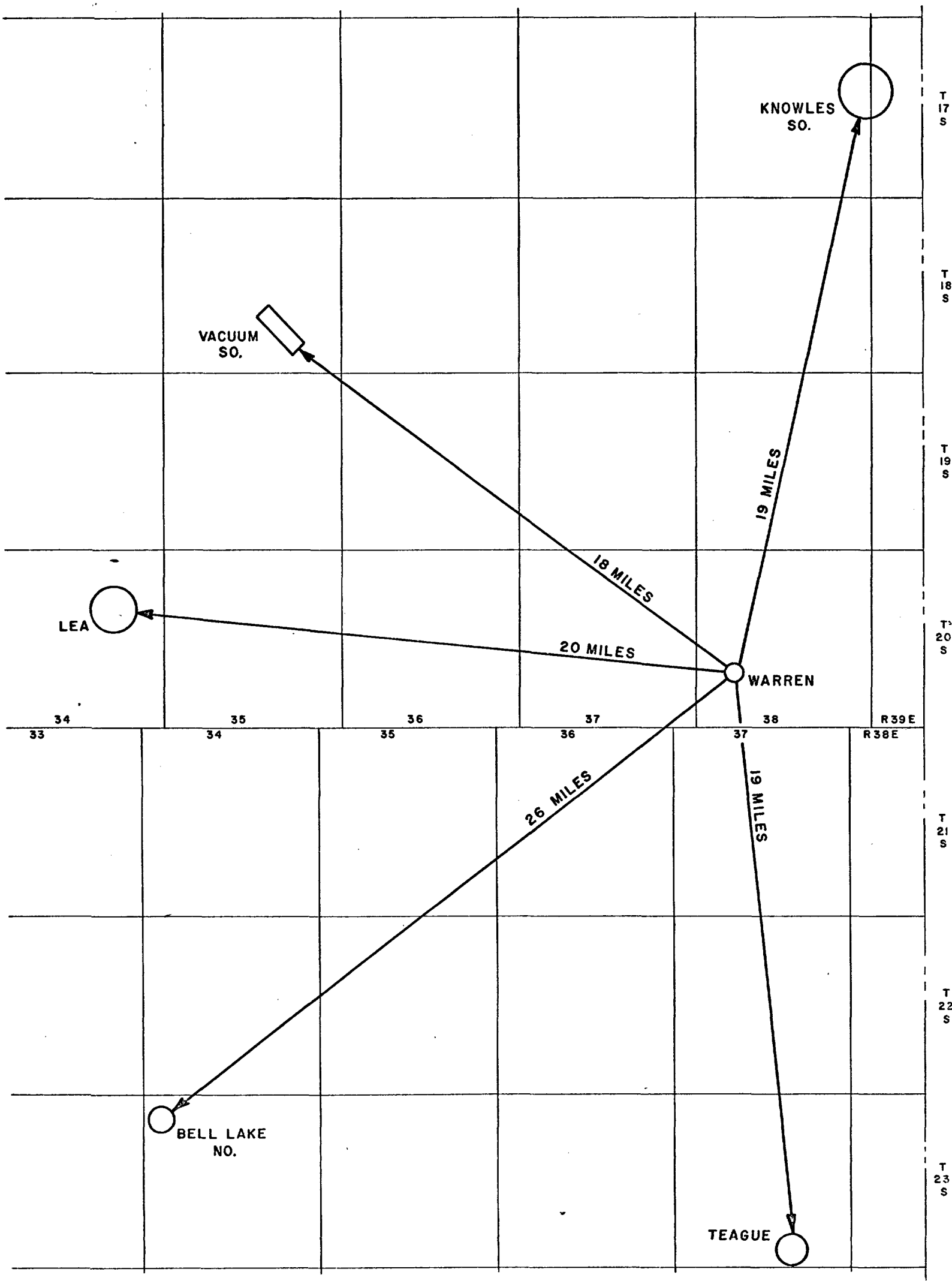






BEFORE EXAMINER USE  
OIL COMPANY NO. \_\_\_\_\_  
\_\_\_\_\_ NO. 4  
CASE NO. 4508

|                                                      |                |
|------------------------------------------------------|----------------|
| CONTINENTAL OIL COMPANY                              |                |
| PRODUCTION DEPT                                      | HOBBS DIVISION |
| WARREN DEVONIAN<br>& NEAREST OTHER<br>DEVONIAN POOLS |                |

SPECIAL RULES AND REGULATIONS  
FOR THE WARREN-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the Warren-Devonian Pool or in the Devonian formation within one mile of the Warren-Devonian Pool, and not nearer to or within the limits of another designated Devonian Pool, shall be spaced, drilled, operated, and produced in accordance with the special Rules and Regulations hereinafter set forth.

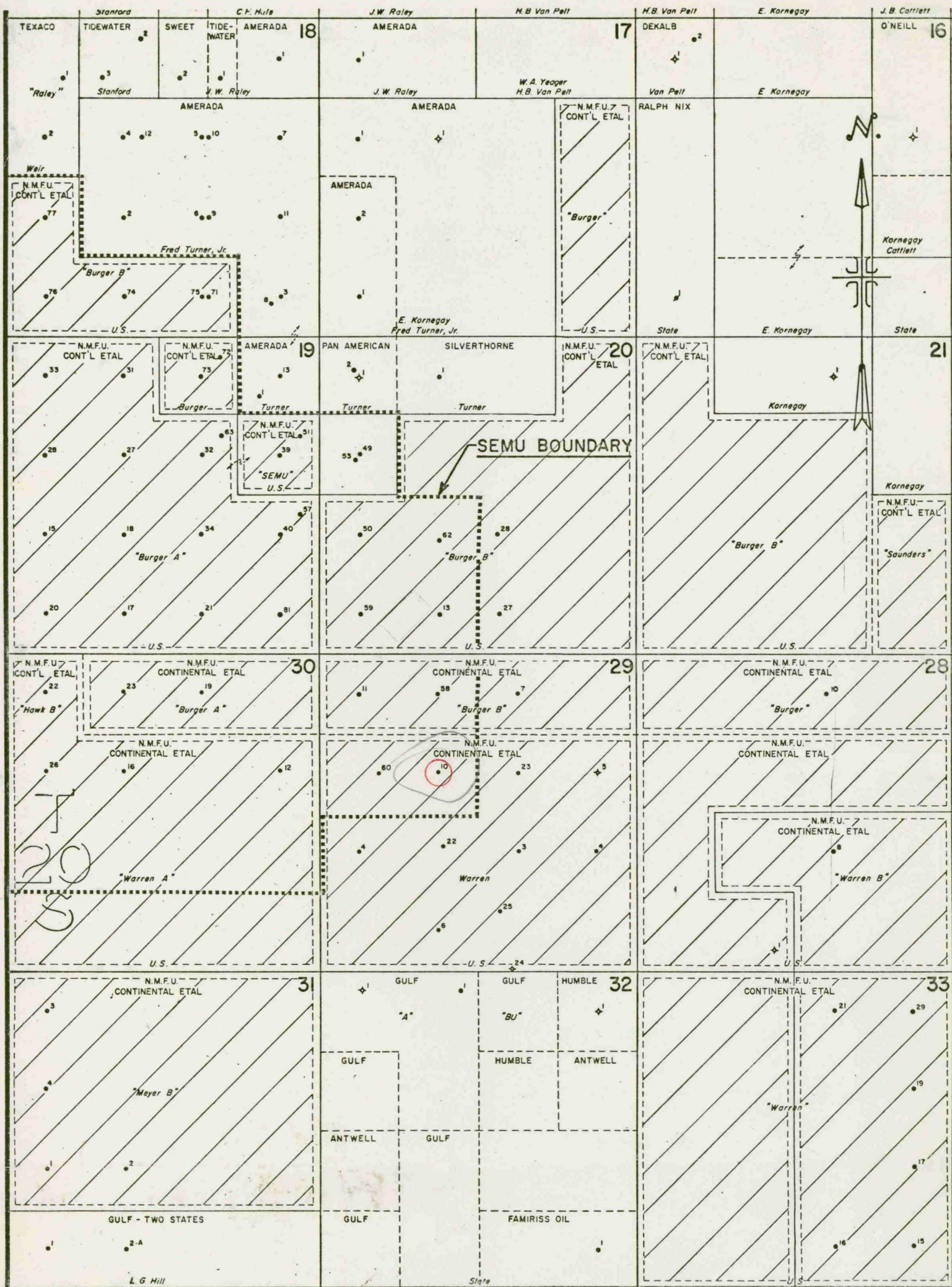
RULE 2. Each well completed or recompleted in the Warren-Devonian Pool shall be located on a standard unit containing 80-acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter-section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Directory may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application immediately upon receipt of written waivers from all offset operators; or, in the absence of such waivers, after 30 days from receipt of the application if no offset operator has entered an objection to the formation of the non-standard unit.

RULE 4. Each well projected to or completed hereafter in the Warren-Devonian Pool shall be located not less than 330 feet from any boundary of a single governmental quarter-quarter section or lot.

RULE 5. A standard proration unit (79 through 81 acres) in the Warren-Devonian Pool shall be assigned an 80-acre proportional factor of 3.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Warren-Devonian Pool as the acreage in such non-standard unit bears to 80-acres.

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|----------------------|
| BEFORE EXAMINED UTE  |
| OIL CONTROL DIV.     |
| EXHIBIT NO. <u>5</u> |
| CASE NO. <u>4508</u> |



R38E

CONTINENTAL OIL COMPANY  
PRODUCTION DEPARTMENT—HOBBS DIVISION

LEA COUNTY, NEW MEXICO

Case 45-08

SCALE  
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