STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CASE NO. 11543 ORDER NO. R-10639-A

APPLICATION OF PENROC OIL CORPORATION FOR A COOPERATIVE LEASEHOLD WATERFLOOD PROJECT AND QUALIFICATION FOR THE RECOVERED OIL TAX CREDIT PURSUANT TO THE "NEW MEXICO OIL RECOVERY ACT", LEA COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the New Mexico Oil Conservation Division ("Division") that Order No. R-10639, dated August 12, 1996, does not correctly state the intended order of the Division.

IT IS THEREFORE ORDERED THAT:

- (1) Finding Paragraph No. (2) on pages 1 and 2 of said Order No. R-10639, be and the same, is hereby amended to read in its entirety as follows:
 - " (2) The applicant in this matter, Penroc Oil Corporation ("Penroc"), as the current operator of three certain State of New Mexico oil and gas leases in Sections 22 and 23, Township 10 South, Range 32 East, NMPM, Lea County, New Mexico: (a) the Harris State lease which, according to Division records, comprises the E/2 SW/4 and SE/4 of said Section 23; (b) the State "AD" lease which, according to Division records, comprises the E/2 of said Section 22 and the NE/4 of said Section 23; and, (c) the State "II" lease which, according to Division records, comprises the NW/4 and W/2 SW/4 of said Section 23, seeks authority to institute a cooperative leasehold waterflood project in the Mescalero-San Andres Pool within a portion of the three aforementioned leases comprising the following described 480 acres, more or less:

Section 22: SE/4 NE/4 and SE/4

Section 23: SW/4 NW/4, SW/4, and W/2 SE/4."

(2) Decretory Paragraph No. (2) on page 5 of said Order No. R-10639, be and the same, is hereby amended to read in its entirety as follows:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

" (2) The waterflood project in the Mescalero-San Andres Pool is hereby designated the "State Harris-AD-II-23 Cooperative Leasehold Waterflood Project" and shall comprise the following described 480 acres, more or less, in Lea County, New Mexico:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 22: SE/4 NE/4 and SE/4

Section 23: SW/4 NW/4, SW/4, and W/2 SE/4."

(3) The corrections set forth in this order be entered <u>nunc pro tunc</u> as of August 12, 1996.

DONE at Santa Fe, New Mexico, on this 13th day of January, 1997.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

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