

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

WILLIAM F. CARR
 Print or Type Name

William F. Carr
 Signature

ATTORNEY
 Title

4.5.02
 Date

wcarr@howandhart.com
 e-mail Address

RECEIVED - S
 APR 4 2002
 SEPARATION DIV.

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

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BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
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William F. Carr

wcarr@hollandhart.com

April 5, 2002

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Fasken Oil and Ranch, Ltd. for
Administrative Approval of an Unorthodox Well Location
for its Slingshot "35" Federal Well No. 1, to be located
2100 feet from the South line and 1980 feet from the East
line of Section 35, Township 20 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.

Dear Ms. Wrotenbery:

Pursuant to the provisions of Division Rule 104 F adopted on August 12, 1999, Fasken Oil and Ranch, Ltd. hereby seeks administrative approval of an unorthodox well location for its Slingshot "35" Federal Well No 1 at a point 2100 feet from the South line and 1980 feet from the East line of Section 35, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled to a depth sufficient to test all formations from the surface through the Pennsylvanian system. The primary objective in the well is the Morrow formation, Undesignated Burton Flat-Morrow Gas Pool. A standard 320-acre spacing and proration unit comprised of the E/2 of Section 35 will be dedicated to the well.

The well will be completed in the Undesignated Burton Flat-Morrow Gas Pool which is governed by the General Rules and Regulations of the Oil Conservation Division. Division Rule 104.C (2) provides for Morrow gas wells to be located on standard spacing and proration units containing 320-acres with wells to be located no closer than 660

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

April 5, 2002
Page 2

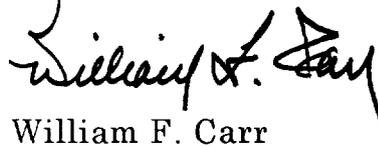
feet to the outer boundary of the quarter section on which it is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. This proposed well location is unorthodox because it is 120 feet closer to the boundary of the quarter section upon which it is located than permitted by Division rule.

This unorthodox location is required by geological conditions. As shown on the "Depth Map top of Barnett Shale (below pay interval)" attached to this application as Figure 1, the arbitrary seismic line attached as Figure 2, and the Geological Report attached as Figure 3, a well at the proposed unorthodox location should be 30 to 40 feet structurally higher than a well at the nearest standard location and near the center of the targeted Morrow channel system. Therefore, a well at this unorthodox well location should efficiently produce the reserves in this reservoir under the E/2 of said Section 35.

Attached hereto as Figures 4 and 5 are Division Form C-102 which shows the unorthodox location and a plat showing the subject spacing unit, the proposed unorthodox well location and adjoining spacing units and wells. Since the well is only encroaching on an interior quarter-quarter section line, the correlative rights of no interest owner will be adversely impacted by a well at this proposed unorthodox location. There are no "affected persons" as defined in Rule 1207.A to whom notice of this application should be provided.

Your attention to this application is appreciated.

Very truly yours,



William F. Carr
Attorney for Fasken Oil and
Ranch, Ltd.

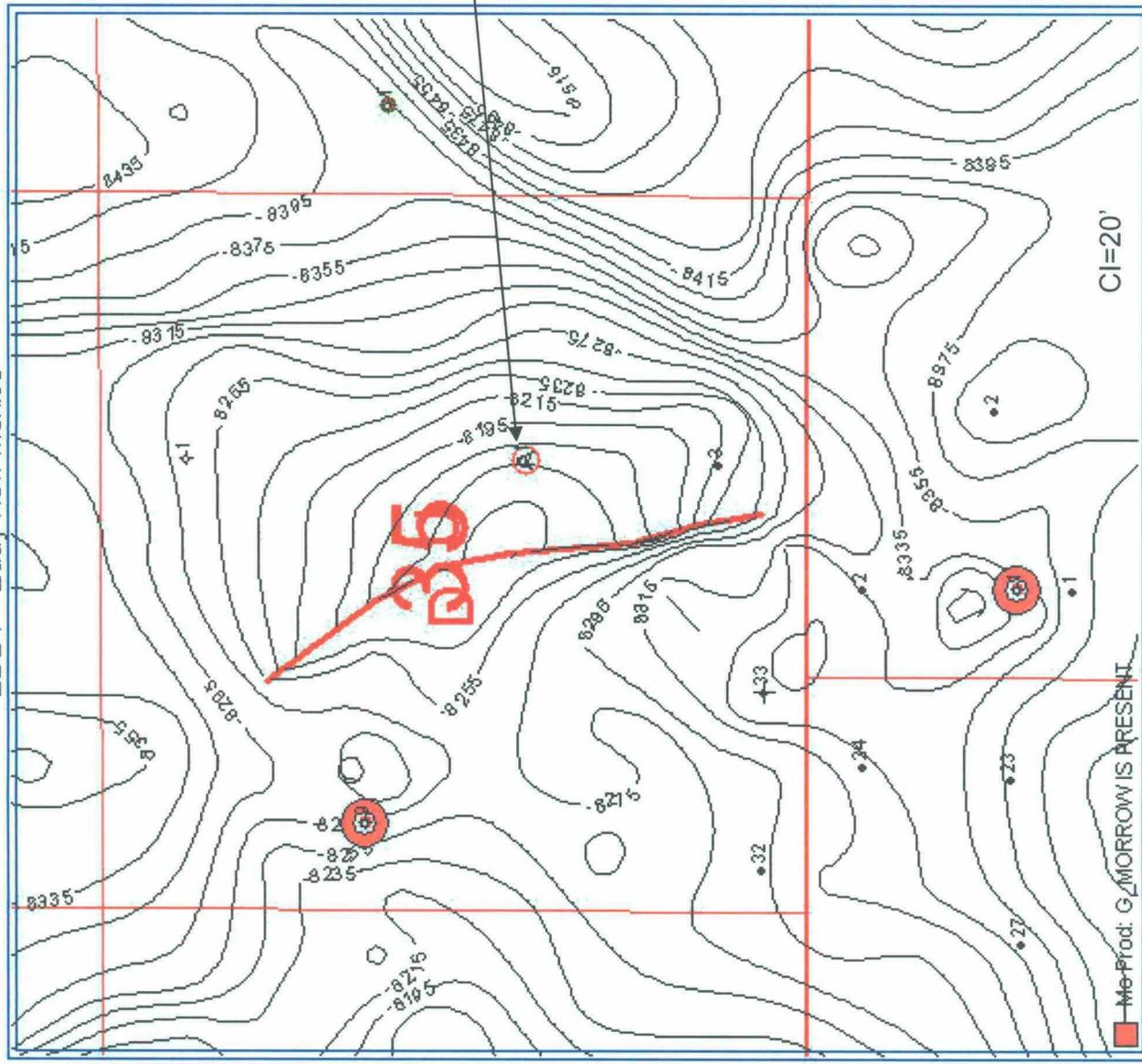
Enclosures

cc: Sally M. Kvasnicka
Land Manager
Fasken Oil and Ranch, Ltd.

Depth Map top of Barnett Shale (below pay interval)

EDDY - Eddy New Mexico

Fasken Oil and Ranch
April 2, 2002



Proposed Location

Sec. 35
T-20-S R-28-E
2100' FSL
1980' FEL

Figure 1

S

Proposed Loc.

N

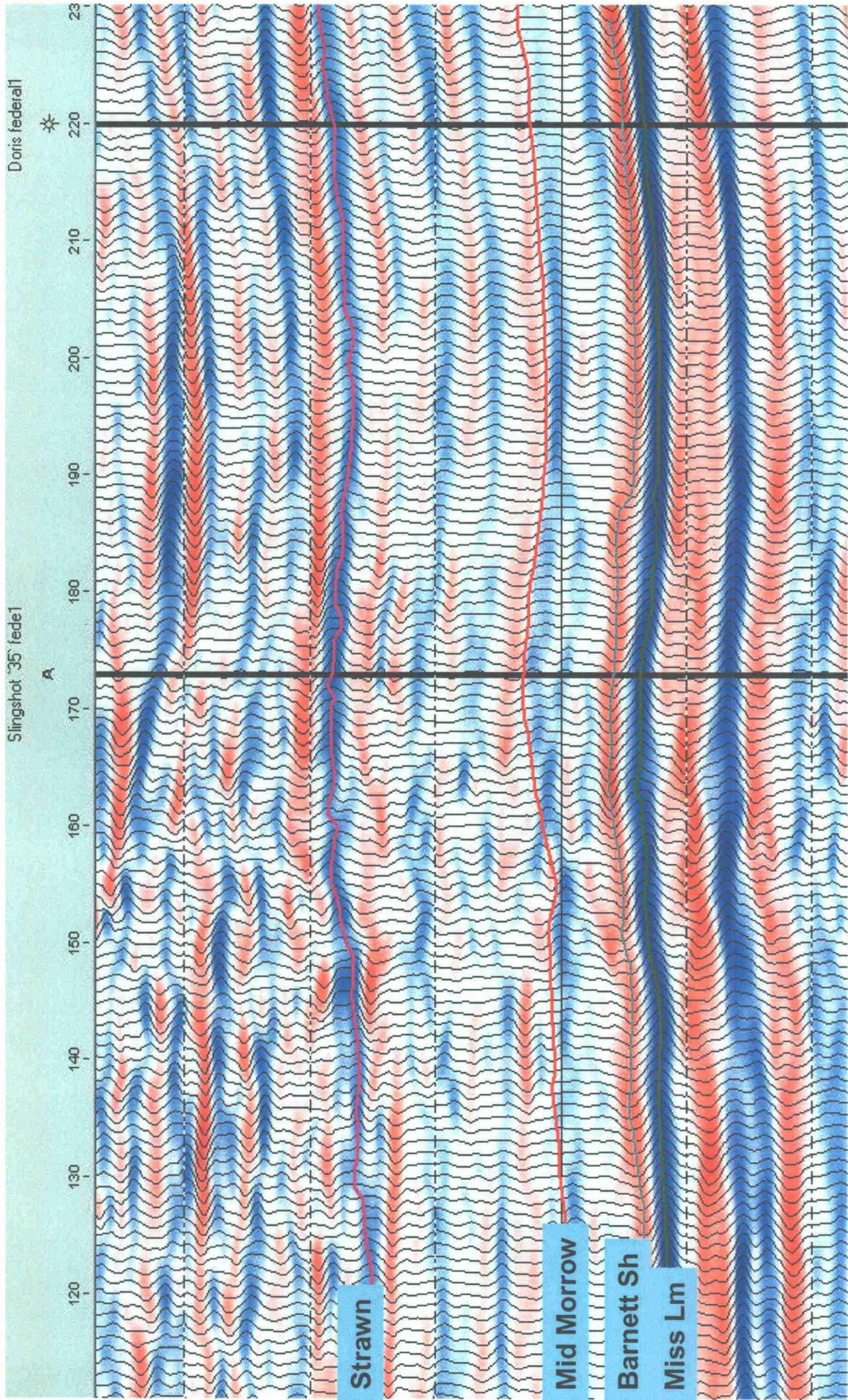


Figure 2

Slingshot “35” Fed #1

Geological Report

It is important to encounter our objective Morrow sands high enough to be above any local gas/water contacts and thick enough to be economically productive. Our proposed location of 2100' FSL and 1980' FEL will accomplish both of these objectives while not encroaching on any external lease lines.

Seismic mapping (figure 1) of the underlying Barnett Shale, a very good seismic reflector, shows a west fault bounded structural closure in the east half of Section 35. The N/S seismic line (figure 2) at the Middle Morrow level indicates a structural drop off going both south and north from our proposed location. Isopach mapping of the objective Morrow sands indicates we will encounter them near the center of their channel systems.

A legal location would be giving up some structural advantage and waste some gas at the end of the wells productivity due to earlier water encroachment.

Dexter Harmon
Geologist

FIGURE 3

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Burton Flats - Morrow</i>
Property Code	Property Name SLINGSHOT "35" FEDERAL	Well Number 1
OGRID No. <i>151416</i>	Operator Name FASKEN OIL & RANCH, LTD.	Elevation 3212'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	20 S	28 E		2100	SOUTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

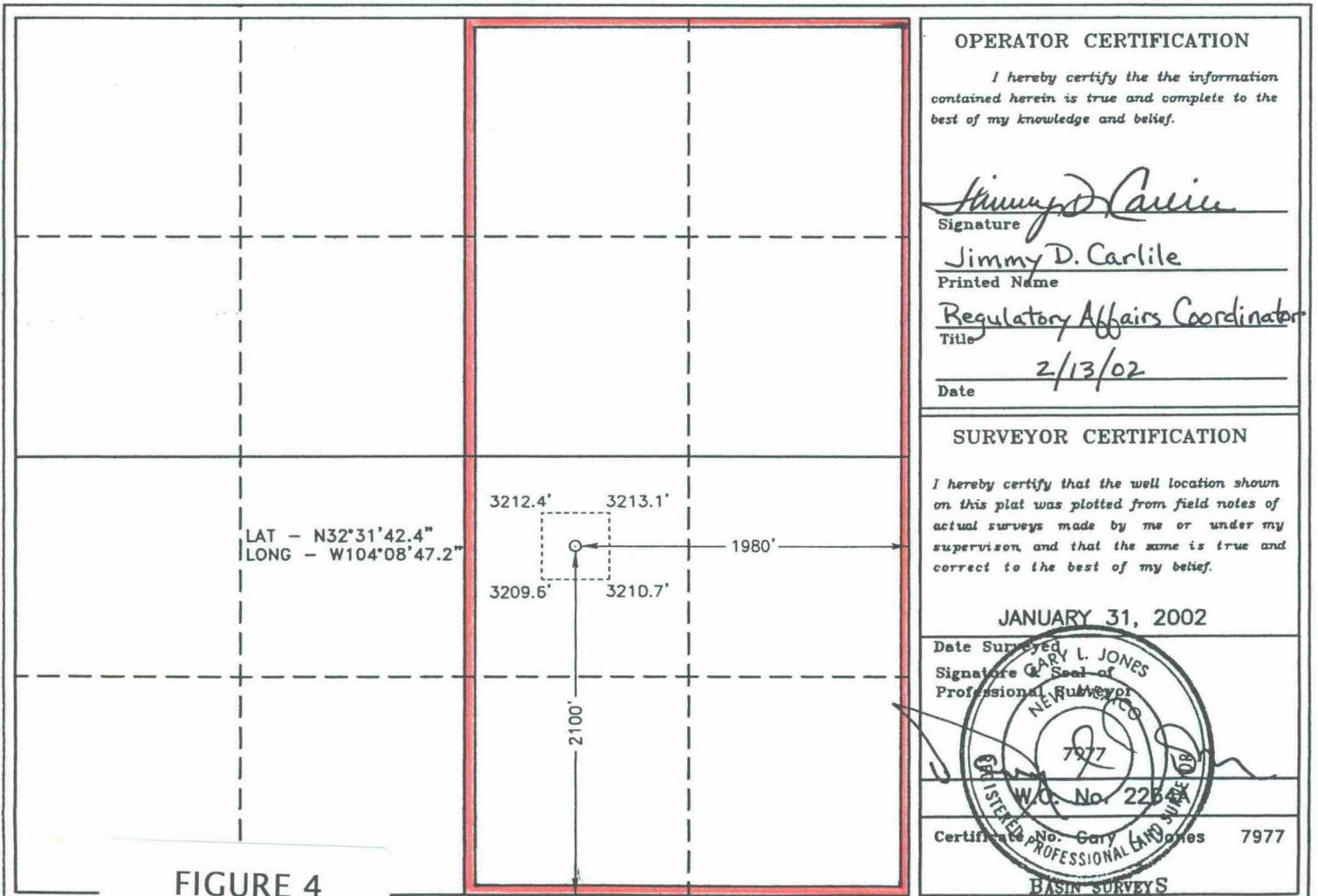


FIGURE 4

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Jimmy D. Carlile
Signature
Jimmy D. Carlile
Printed Name
Regulatory Affairs Coordinator
Title
2/13/02
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 31, 2002

Date Surveyed
Signature & Seal of
Professional Surveyor
GARY L. JONES
7977
W.C. No. 225
Certified No. Gary L. Jones 7977
REGISTERED PROFESSIONAL LAND SURVEYOR
BASIN SURVEYS

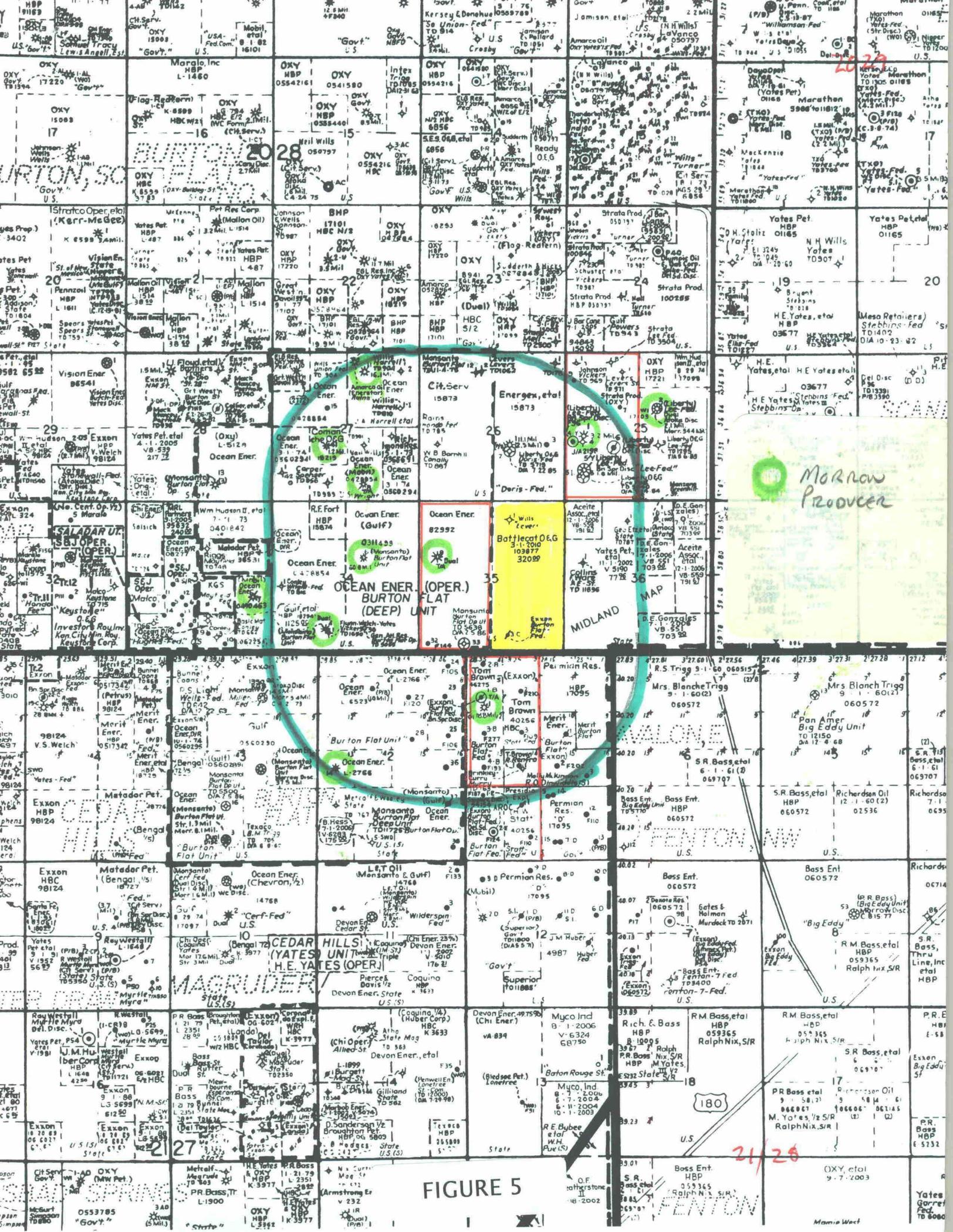


FIGURE 5

Morris West

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/25/02 09:27:
OGOMES -TP
PAGE NO:

Sec : 35 Twp : 20S Rng : 28E Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned U A	F 40.00 Federal owned U	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/25/02 09:27:
OGOMES -TP
PAGE NO:

Sec : 35 Twp : 20S Rng : 28E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned U	Federal owned U	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned U A	Federal owned U	Federal owned	Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

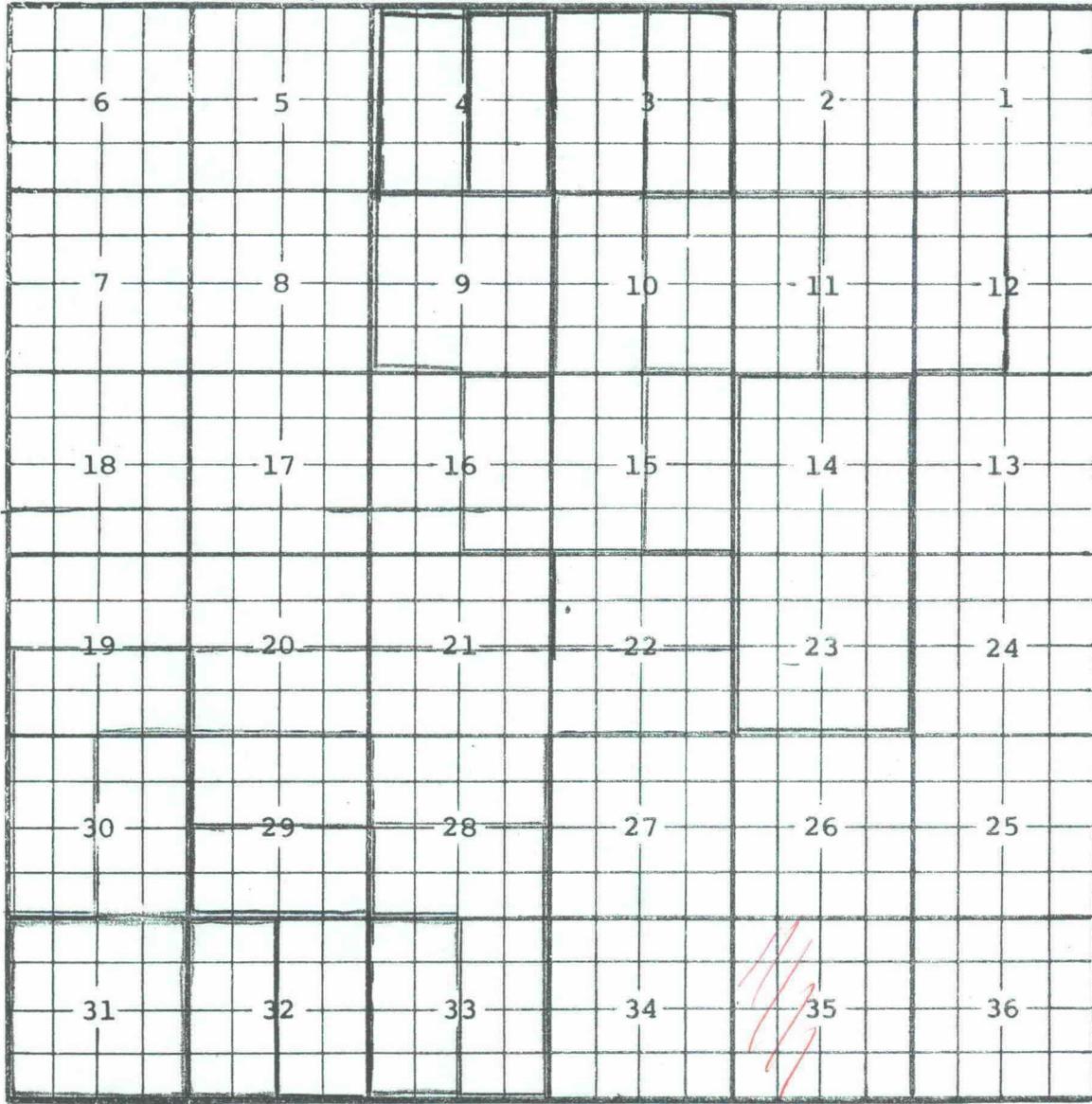
COUNTY Eddy

POOL North Burton Flat - Wolfcamp Gas

TOWNSHIP 20 South

RANGE 28 East

NMPM



Note: Special Rules under R-4949 restricts production to 1500 MCF/D

Description: All Sec 14 & 23 (R-4949, 2-1-75)

Ext: E/2 Sec 10, W/2 Sec 11, S/2 Sec 20, S/2 Sec 21, S/2 Sec 22
- N/2 Sec 28 (R-5063, 7-1-75) Ext: S/2 Sec 19, W/2 Sec 30 (R-5143, 2-1-76)

Ext: E/2 Sec 15 (R-5226, 7-1-76)

Ext: W/2 Sec 10, W/2 Sec 15, E/2 Sec 16 (R-5309, 11-1-76)

Ext: All Sec 9 (R-5511, 9-1-77) Ext: S/2 Sec 28, -

- E/2 Sec 33 (R-5876, 12-1-78) Ext: E/2 Sec 3 (R-5988, 5-1-79)

Ext: N/2 Sec. 22 (R-6274, 3-1-80) Ext: N/2 Sec. 29 (R-6476, 10-1-80)

Ext: E/2 Sec 11 and W/2 Sec 12 (R-6657, 4-20-81) Ext: E/2 Sec 3, S/2 Sec 29 (R-6758, 8-26-81)

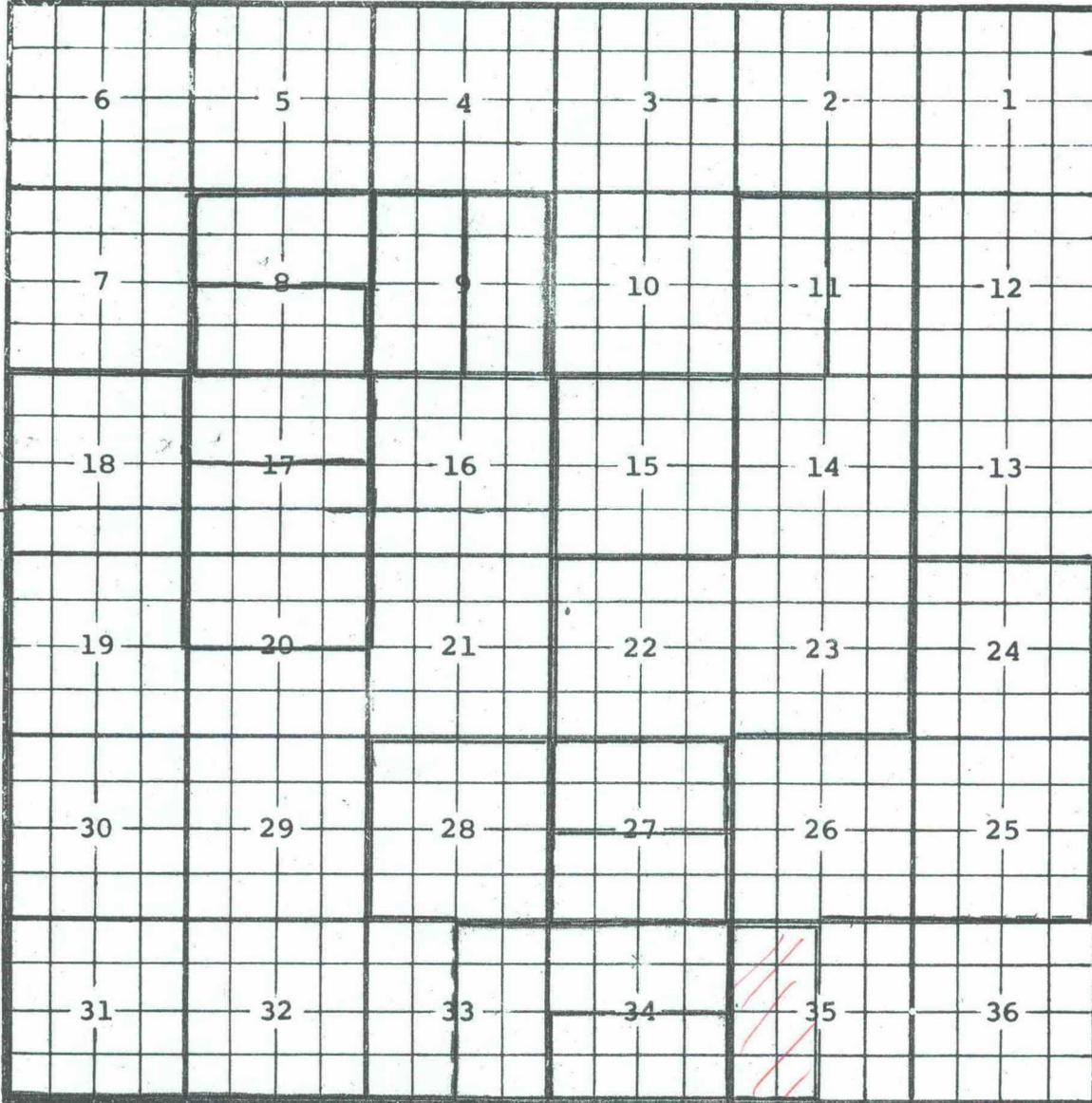
Ext: Sec: 30 E/2, Sec: 31 all, Sec: 32 W/2, Sec: 33 W/2 (R-7183, 1-26-83)

EXT: E/2 SEC 4 (R-9096, 1-1-90) EXT: W/2 SEC 3 (R-R134, 4-1-90)

Ext: W/2 Sec. 4 (R-10787, 4-9-97)

COUNTY Eddy POOL Burton Flat - Morrow Gas

TOWNSHIP 20 South RANGE 28 East NMPM



Ext: $\frac{5}{2}$ Sec 34 (R-4706, 1-18-74)

Ext: $\frac{E}{2}$ Sec 33, $\frac{N}{2}$ Sec 34 (R-4734, 3-1-74)

Ext: $\frac{S}{2}$ Sec 27, $\frac{W}{2}$ Sec 35 (R-4782, 6-1-74)

Ext: $\frac{N}{2}$ Sec 27 (R-4821, 8-1-74)

Ext: $\frac{E}{2}$ Sec 11, All Sec 14, 22 & 23 (R-4915, 12-1-74)

Ext: All Sec 15 & 28 (R-4969, 4-1-75) Ext: $\frac{W}{2}$ Sec 11 (R-5063, 7-1-75)

Ext: All Sec 16, 18, 19, 21, 29, 30, 31 & 32, $\frac{S}{2}$ Sec 20, $\frac{W}{2}$ Sec 33 (R-5534, 10-1-77)

Ext: $\frac{S}{2}$ Sec 17, (R-6499, 11-1-80) - $\frac{N}{2}$ Sec 20. Ext: $\frac{N}{2}$ Sec 17 (R-6890, 1-2-82)

EXT: $\frac{S}{2}$ Sec 8 (R-7009, 6-19-82)

Ext: All Secs. 24 through 26 (R-7322, 8-1-83) EXT: $\frac{W}{2}$ Sec 9 (R-8969, 8-1-89)

Ext: $\frac{N}{2}$ Sec 8 (R-9545, 7-1-91)

(GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NEW MEXICO - Cont'd.)

2. Each oil well, or gas well to which no more than 40 acres is dedicated, shall be located no nearer than 330 feet to the outer boundary of any governmental quarter-quarter section or subdivision boundary line.

RULE 4(b) 1. The Director may grant an exception to Rule 2(a) 1 above and Rule 4(b) (1) of the General Rules if a completion, recompletion, or reclassification of a Blinbery well results in dedication of acreage to an oil well on a previously approved gas proration unit, and thereby severs acreage contained in said unit from the gas well which produces for the unit.

2. The Director may grant an exception to Rule 2(a) 1 above and Rule 4(b) (2) of the General Rules when the non-standard proration unit consists of not more than 164 acres and lies wholly within a single governmental section.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Blinbery Oil and Gas Pool.

G. REPORTING OF PRODUCTION

RULE 17(b). In submitting Form C-115 on wells producing from the Blinbery Oil and Gas Pool in which condensate is commingled and/or low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate the volume produced by each well in each pool by using the ratios as reflected in the most recent test submitted.

I. MISCELLANEOUS SPECIAL POOL RULES

RULE 26. Oil wells in the Blinbery Oil and Gas Pool shall receive oil and casinghead gas allowables as provided in Rules 503, 505, and 506 of the Division Rules and Regulations.

RULE 27. Gas-liquid ratio tests shall be conducted annually during the months of July, August, and September on all wells located in and producing from the Blinbery Oil and Gas Pool. Results of such tests shall be reported to the Division on Form C-116 on or before the 10th day of October of each calendar year.

RULE 28(a). The District Supervisor, on or before November 15 of each year shall review the production data, gas-oil ratio tests, and other pertinent data and reclassify a well if evidence reflects the need for such reclassification. In such event the District Supervisor will notify the operator of the reclassification at least 30 days before the effective date thereof. Any operator so notified may request that the District Supervisor reconsider the reclassification if he has evidence to support such request and the request has been filed within 10 days after receipt of the notification of reclassification. The District Supervisor shall approve or disapprove the request within 10 days after receipt thereof or in the alternative, with the consent of the applicant, set the request for hearing.

(b) In the event an oil well in the Blinbery Oil and Gas Pool is reclassified as a gas well, the operator of such well will be afforded the opportunity to form a non-standard gas proration unit for the well; provided however, that, until such unit is formed, said well shall be allocated a gas allowable commensurate with the acreage contained in the unit formerly dedicated to the oil well. In the event of two or more gas wells producing from the Blinbery Oil and Gas Pool within a single proration unit, the allowable assigned to the unit may be produced from any well on the unit in any proportion.

RULE 29(a). Condensate from any gas well in the Blinbery Oil and Gas Pool may be commingled with other condensate produced by any other gas well or wells producing from the pool or the Tubb Oil and Gas Pool following its separation from the gas in a separator, provided approval therefor has been obtained in accordance with Division Rule 303-B and/or Rule 309-B, whichever is applicable.

(b) If two-stage separation is used, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from the other low-pressure gas produced on the lease, provided that certain test facilities are available and periodic tests made in accordance with Rule 27 above.

SPECIAL RULES AND REGULATIONS FOR THE BUFFALO VALLEY-PENNSYLVANIAN GAS POOL

The Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, was created November 1, 1962 and gas proration in this pool became effective May 1, 1969.

A. DEFINITIONS

THE VERTICAL LIMITS of the Buffalo Valley-Pennsylvanian Gas Pool shall be the Pennsylvanian formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Buffalo Valley-Pennsylvanian Gas Pool shall be 320 acres.

RULE 2(b). Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line; provided, however, that any well drilling to or completed in said pool on or before October 31, 1962, is hereby excepted from the requirements of this rule.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Buffalo Valley-Pennsylvanian Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE BURTON FLAT-MORROW GAS POOL

The Burton Flat-Morrow Gas Pool, Eddy County, New Mexico was created March 1, 1973 and gas proration in this pool became effective April 1, 1974.

A. DEFINITIONS

THE VERTICAL LIMITS of the Burton Flat-Morrow Gas Pool shall be the Morrow formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Burton Flat-Morrow Gas Pool shall be 320 acres.

RULE 2(b). Each well completed or recompleted in the Burton Flat-Morrow Gas Pool shall be located no closer than 1980 feet to the end boundary nor closer than 660 feet to the side boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Burton Flat-Morrow Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE BURTON FLAT-STRAWN GAS POOL

The Burton Flat-Strawn Gas Pool, Eddy County, New Mexico was created September 1, 1973 and gas proration in this pool became effective April 1, 1974.

A. DEFINITIONS

THE VERTICAL LIMITS of the Burton Flat-Strawn Gas Pool shall be the Strawn formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(A). A standard GPU in the Burton Flat-Strawn Gas Pool shall be 320 acres.

RULE 2(B). Each well completed or recompleted in the Burton Flat-Strawn Gas Pool shall be located no closer than 1980 feet to the end boundary nor closer than 660 feet to the side boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

(GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NEW MEXICO - Cont'd.)

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Burton Flat-Strawn Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE SOUTH CARLSBAD-MORROW GAS POOL

The South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico was created May 1, 1969 and gas proration in this pool became effective September 1, 1972, and abolished by Order No. R-11315, effective January 31, 2000.

SPECIAL RULES AND REGULATIONS FOR THE CATCLAW DRAW-MORROW GAS POOL

The Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico was created June 21, 1971 and gas proration in this pool became effective April 1, 1974.

A. DEFINITIONS

THE VERTICAL LIMITS of the Catclaw Draw-Morrow Gas Pool shall be the Morrow formation.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Catclaw Draw-Morrow Gas Pool shall be 640 acres.

RULE 2(b). Each well completed or recompleted in the Catclaw Draw-Morrow Gas Pool shall be located no closer than 1650 feet to the outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Catclaw Draw-Morrow Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL

The Crosby-Devonian Gas Pool, Lea County, New Mexico was created May 27, 1955 and gas proration became effective April 1, 1957.

A. DEFINITIONS

THE VERTICAL LIMITS of the Crosby-Devonian Gas Pool shall include all the formations that can reasonably be considered to be of Devonian age.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a). A standard GPU in the Crosby-Devonian Gas Pool shall be 160 acres.

RULE 2(b). Each well completed or recompleted in the Crosby-Devonian Gas Pool shall be located no closer than 660 feet to any outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Crosby-Devonian Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL

The Eumont Gas Pool Lea County, New Mexico, was created February 17, 1953, and gas proration in this pool became effective

January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.

A. DEFINITIONS

THE VERTICAL LIMITS of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers, and Queen formations.

A GAS WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

AN OIL WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool and not classified as a gas well as defined above.

THE LIMITING GAS-OIL RATIO for oil wells in the Eumont Gas Pool shall be 10,000 cubic feet of gas per barrel of oil.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a) 1. A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

2. A standard oil proration unit in the Eumont Gas Pool shall be 40 acres.

RULE 2(b) 1. A gas well in the Eumont Gas Pool to which 640 acres is dedicated shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section or subdivision boundary line.

2. An oil well in the Eumont Gas Pool shall be located no nearer than 330 feet to the outer boundary of any governmental quarter-quarter section or subdivision boundary line.

(Any well drilled to and producing from the Eumont Gas Pool prior to August 12, 1954, at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.)

RULE 2(b) 4. In establishing a non-standard proration unit in the Eumont Gas Pool, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

Location	Maximum Acreage
660-660	160 acres
660-990	320 acres
990-990	600 acres

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Eumont Gas Pool.

(a) A 640 acre proration unit in the Eumont Gas Pool shall be assigned an Acreage Factor of 4.00; a 160 acre proration unit an Acreage Factor of 1.00, etc.

RULE 8. (As Amended by Order No. R-8170-G, December 1, 1990, and Order No. R-8170-G-1, March 11, 1994.) Notwithstanding the provisions of Rule Nos. 3 and 5 of the General Rules and Regulations for Prorated Pools of New Mexico, the Division shall assign a minimum gas allowable of 600 MCF of gas per day per Acreage Factor of 1.0.

I. MISCELLANEOUS SPECIAL POOL RULES

RULE 26. Oil wells in the Eumont Gas Pool shall receive oil and casinghead gas allowables as provided in Rules 503, 505, and 506 of the Division Rules and Regulations.

SPECIAL RULES AND REGULATIONS FOR THE INDIAN BASIN-MORROW GAS POOL

The Indian Basin-Morrow Gas Pool, Eddy County, New Mexico was created March 1, 1963 and gas proration in this pool became effective July 1, 1965.