

made permanent by Division Order No. R-10050-A, dated October 17, 1995;

(g) the South Dagger Draw-Upper Pennsylvanian Associated Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

|                         |     |
|-------------------------|-----|
| Section 9:              | E/2 |
| Section 10:             | S/2 |
| Section 11:             | S/2 |
| Section 12:             | S/2 |
| Sections 13 through 15: | All |
| Section 16:             | E/2 |
| Sections 22 through 26: | All |
| Sections 34 through 36: | All |

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

|             |     |
|-------------|-----|
| Section 19: | S/2 |
|-------------|-----|

TOWNSHIP 20-1/2 SOUTH, RANGE 23 EAST, NMPM

|                                   |     |
|-----------------------------------|-----|
| Irregular Sections 34, 35 and 36: | All |
|-----------------------------------|-----|

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

|                             |           |
|-----------------------------|-----------|
| Irregular Sections 1 and 2: | All       |
| Sections 11 and 12:         | All       |
| Section 13:                 | N/2       |
| Section 14:                 | All; and, |

(h) currently the South Dagger Draw-Upper Pennsylvanian Pool is spaced on 320-acre spacing and proration units with the option for multiple oil wells and multiple gas wells and allows for the simultaneous dedication of both oil and gas wells to the same 320-acre unit; further each 320-acre unit is allowed to produce up to but not in excess of 1,400 barrels of oil per day and the