

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 9:	S/2
Section 15:	S/2
Sections 16 and 17:	All
Sections 19 through 22:	All
Sections 30 through 32:	All;

(4) The Indian Basin-Morrow Gas Pool is governed by the “*Special Rules and Regulations for the Indian Basin-Morrow Gas Pool*,” as promulgated by Division Orders No. R-8170-O-1/R-2441-B, issued in Case No. 11512 and dated July 31, 1996, and R-8170-O-2/R-2441-C, dated August 15, 1996, which includes provisions (i) for 640-acre spacing; (ii) requiring wells to be located no closer than 660 feet to the outer boundary of a unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary; (iii) that allows for one infill well per 640-acre unit; and (iv) that confines these special pool rules to those lands that are within the pool's horizontal limits;

(5) The Morrow interval outside of the horizontal limits of the Indian Basin-Morrow Gas Pool is subject to Division Rules 104.B(1)(a) and 104.C(2)(b), both of which require 320-acre spacing and proration units with wells to be located no closer than 660 feet to the nearest side (long) boundary of the dedicated tract nor closer than 1650 feet from the nearest end (short) boundary nor closer than 330 feet from any quarter-quarter section or subdivision inner boundary, and Rule 104.D(3), which limits the number of wells per spacing unit to one;

(6) The special rules for the Indian Basin-Morrow Gas Pool further provides for a buffer zone that extends one-half mile beyond the Indian Basin-Morrow Gas Pool, which allows for a 660-foot setback to the outer-boundary of a 320-acre unit for those quarter sections immediately off-setting the Indian Basin-Morrow Gas Pool boundaries;

(7) Morrow gas production from the proposed Zingaro “ANG” Federal Well No. 4 is to be dedicated to Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 1, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico in order to form a standard 336.57-acre stand-up gas spacing and proration unit;

(8) The Indian Basin-Upper Pennsylvanian Gas Pool currently comprises the following described area in Eddy County, New Mexico:

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Section 3:	W/2
Section 4:	All
Sections 8 and 9:	All
Section 10:	W/2
Section 15:	W/2
Sections 16 through 30:	All
Sections 32 through 35:	All
Section 36:	W/2