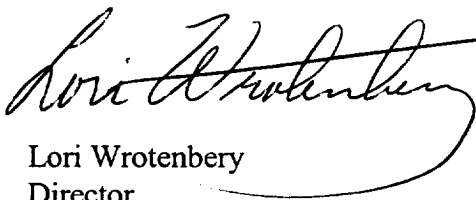


(2) The existing 320-acre non-standard gas spacing and proration unit ("GPU") within the Indian Basin-Upper Pennsylvanian Gas Pool that comprises the W/2 of Section 36 is to be simultaneously dedicated to Kerr-McGee's existing Lowe State Gas Com. Well No. 1 (**API No. 30-015-10342**), located 1995 feet from the North line and 1712 feet from the West line (Unit F) of Section 33 and its proposed Lowe State Well No. 5, as described.

(3) As prescribed in Division Order No. R-9922-D, issued in Division Case No. 12006 dated December 7, 1998, Kerr-McGee is hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion; **provided however**, total combined gas production from both wells shall not exceed that volume assigned this GPU with its assessed acreage factor of 0.50.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery  
Director



LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia ✓  
New Mexico State Land Office – Santa Fe  
File: Case No. 12006