

1980' FSL & 660' FEL (Unit I) of Section 16.

Pursuant to Rule 2.B of the special pool rules for the White City-Pennsylvanian Gas Pool, only two wells are allowed to produce concurrently within a single 640-acre unit; therefore, at the time that the proposed White Baby Com. Well No. 3 is successfully drilled to and completed in the White City-Pennsylvanian Gas Pool, Gruy shall cease producing either its White Baby Com. Well No. 1 or 2. Further, the two producing wells and 640-acre spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to this pool.

Jurisdiction of this cause 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
Mr. Zeno Farris, Gruy Petroleum Management Company - Irving, Texas (telefax No. 469-420-2710)
Ms. Kathy Valdes, NMOCD – Santa Fe