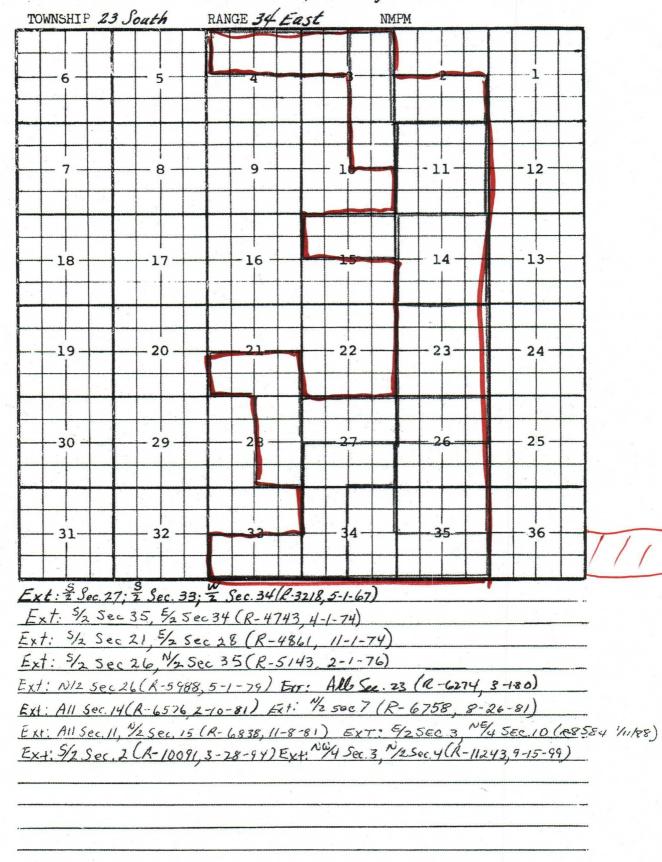
Sec : 31 Twp : 238 Rng : 35E Section Type : NORMAL

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CS	CS		CS
VA2488 0000	VA2488 0000		VA2488 0000
DEVON ENERGY PROD	DEVON ENERGY PROD		DEVON ENERGY PROD
06/01/06	06/01/06		06/01/06
I	J	K	3
40.00	40.00	40.00	39.64
CS	CS	CS	CS
VA2488 0000	VA2488 0000	VA2488 0000	VA2488 0000
DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD
06/01/06	06/01/06	06/01/06	06/01/06
H	G	F	2
40.00	40.00	40.00	39.60
CS	CS	CS	CS
VA2478 0000	VA2478 0000	VA2478 0000	VA2478 0000
DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD
06/01/06	06/01/06	06/01/06	06/01/06
A	B	C	1
40.00	40.00	40.00	39.56
CS	CS	CS	CS
VA2478 0000	VA2478 0000	VA2478 0000	VA2478 0000
DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD	DEVON ENERGY PROD
06/01/06	06/01/06	06/01/06	06/01/06



county Lea Pool Antelope Ridge - Atoka Gas Range 34 East TOWNSHIP 23 South NMPM 5 --12--18 17 --16 15. -13--19-- 20 -24-30 -29 -- 26 -- 25 -- 31-- 32 -- 33 -- 34 -- 35 -- 36 -

Ext:	All Secs 26\$35 (R-5729,6-1-78) But: 5/2 Sec 23 (R-6170,
11-1-7	9) Ext: 1/2 Sec. 23 (R-6274, 3-1-80)
Ext: W	12 Sec. 14 (R-6576, 2-10-81) Ext: W/2 & NE/4 sec 2, W/2 sec 11
(R- 672	24, 7-16-81) Ext: 1/2 sec 27, E/2 sec 28 (R-6890, 1-2-82)
Ext. 5/2	Sec. 27 (R-7279, 5-17-83) EXT: 42 Sec. 10 (R-7334, 8-19-83)
Ext: 42	Sec. 3 (A-7372, 10-20-83) Ext: SE/1 Sec. 2 (A-7502, 4-20-84)
EXT: NE	4 SEC. 11 (R-8668 6/10/88) EXT: SE/H Sec. 11 (R-8946 7-1-89) EXT: E/2 SEC 14
	12-1-89) EXT: 5/2 SEC 22 (R-9194, 6-1-90)
Exti No	74 and \$/2 Sec. 9 (K-11304, 1-12-00) Bxx: 1/2 SE/4 Sec. 21 (R-11728, 2-20-02
	and 544 Sec. 21 (Amended K-11728-17, 2-28-02)

POOL Antelope Ridge - Atoka Gas COUNTY Lea TOWNSHIP 24 South RANGE 34 East -16 - 15 14 -13-18 17 . 19. 20 -21-22-23-24 -28 -27-26 -25-30 -29-33 -34-35 -31-32 . 36 -Description: 1/2 Sec. 4 (R-3050, 3-17-66) - Special Vertical limits: Top pool-12.092', bottom pool-12,854'. Type log - Atelope Ridge Wait Well +2, located in Unit B, 4-245-34E. (Shell) Ext: 2 Sec 2; 2 Sec 3(R-4604, 8-1-73); Ext: 5/2 Sec 2 (R-4665, 12-1-73) Ext: 5/15ec 3, E/15ec 10 (R-5988, 5-1-79) Ext: 1/2 Sec. 9 NW/4 Sec. 10 (R-11183, 5-19-99)

COUNTY Lea POOL Cinta Roja - Morrow Gas TOWNSHIP 24 South RANGE 35 East 6 10 16 15 14 -13 18 19-20 -21-22-23-29. 28 --33 -- 34 -35 -36 -Description: 5W/4 Sec. 9(R-2985, 11-1-65)

Ext: 4 \$ 5 Sec. 9(R-3161, 12-6-66) Ext: All Sec. 16 (R-6211, 12-31-79)

Ext: All Sec. 4 (R-6368 7-1-80) Ext: All Sec. 8 (R-6890, 1-2-82)

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3492 Order No. R-3161 NOMENCLATURE

APPLICATION OF MIDWEST OIL CORPORATION FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 30, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of December, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Midwest Oil Corporation, seeks the promulgation of special rules and regulations for the Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing units.
- (3) That the applicant has established that one well in the Cinta Roja-Morrow Gas Pool can efficiently and economically drain and develop 640 acres.
- (4) That the vertical limits of said pool should be defined as the Morrow zone of the Pennsylvanian formation and the horizontal limits of said pool should be extended to include the N/2 and SE/4 of Section 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

- (5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 640-acre spacing units should be promulgated for the Cinta Roja-Morrow Gas Pool.
- (6) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the vertical limits of the Cinta Roja-Morrow Gas Pool shall be the Morrow zone of the Pennsylvanian formation and the horizontal limits of said pool shall be extended to include the N/2 and SE/4 of Section 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.
- (2) That Special Rules and Regulations for the Cinta Roja-Morrow Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE CINTA ROJA-MORROW GAS POOL

- RULE 1. Each well completed or recompleted in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public

Lands Survey, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.
- RULE 4. Each well 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 line.
- RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

-4-CASE No. 3492 Order No. R-3161

IT IS FURTHER ORDERED:

- (1) That the locations of all wells presently drilling to or completed in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before January 1, 1967.
- (2) That the operator of each well presently drilling to or completed in the Cinta Roja-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive a 320-acre allowable until a Form C-102 dedicating 640 acres to the well has been filed with the Commission.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

SEAL