

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of OXY USA WTP Limited Partnership ("OXY"), a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production, is hereby created and designated the **East Penasco Draw-Upper Pennsylvanian Pool**, with vertical limits comprising both the entire Cisco and Canyon formations and horizontal limits comprising the following described area:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 15: SE/4.

(2) The temporary special rules for the East Penasco Draw-Upper Pennsylvanian Pool are hereby promulgated as follows:

**TEMPORARY SPECIAL RULES AND REGULATIONS
FOR THE
EAST PENASCO DRAW-UPPER PENNSYLVANIAN POOL**

RULE 1: Each well completed or recompleted in the East Penasco Draw-Upper Pennsylvanian Pool or in the Cisco and Canyon formations within one mile thereof, and not nearer to or within the limits of another Upper Pennsylvanian pool, shall be spaced, drilled, operated and produced in accordance with these special rules.

RULE 2: Each well shall be located on a standard unit containing 160 acres, more or less, consisting of a governmental quarter section.

RULE 3: The Division Director may grant an exception to the requirements of Rule 2 above without notice and hearing when an application has been duly filed under the provisions of **Division Rule 104.D (2)**.

RULE 4: Each well shall be located no closer than 660 feet to any quarter section line nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary.

RULE 5: The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been duly filed under the provisions of **Division Rule 104.F**.