

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 80-acre spacing and proration unit comprising the N/2 NE/4 of Section 17, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, is hereby established and dedicated to the Conoco Inc. Julie Well No. 2 (API No. 30-015-27047) (formerly known as the Dagger Draw Well No. 1) located at a standard oil well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 17.

(2) A non-standard 80-acre spacing and proration unit comprising the S/2 NE/4 of Section 17, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, is hereby established and dedicated to the Southwest Royalties, Inc. Dagger Draw "A" Well No. 1 (API No. 30-015-27159) located at a standard oil well location 1650 feet from the North line and 1880 feet from the East line (Unit G) of Section 17.

(3) The subject non-standard spacing and proration units and corresponding allowables are hereby established and assigned retroactive to the date of first production from the Julie Well No. 2 and the Dagger Draw "A" Well No. 1, those dates being February 15, 1993 and February 22, 1993, respectively.

(4) Decretory Paragraph No. (2) of Division Order R-9673-A is hereby amended to be consistent with this order as follows:

" (2) All mineral interests, whatever they may be, from the surface to the base of the Canyon formation underlying the S/2 NE/4 of Section 17, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, are hereby pooled to form an 80-acre non-standard spacing and proration unit for said pool. Said unit shall be dedicated to the Southwest Royalties, Inc. Dagger Draw "A" Well No. 1 located at a standard oil well location 1650 feet from the North line and 1880 feet from the East line (Unit G) of said Section 17."

(5) Allowables for the subject non-standard proration units shall be assigned in conformance with the allowable agreement described on Exhibit "A" attached hereto, provided however, the total of such allowable assigned to the subject non-standard proration units shall not exceed 700 barrels of oil per day.

(6) Until such time as the allowable is changed as per the allowable agreement, each of the subject non-standard proration units shall be assigned an allowable of 350 barrels of oil per day.