STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 12444 ORDER NO. R-2373-D

APPLICATION OF MARBOB ENERGY CORPORATION TO AMEND THE SPECIAL RULES AND REGULATIONS FOR THE LUSK-MORROW GAS POOL, LEA AND EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 29, 2000, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of September, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) Division Order No. R-2373, issued in Case No. 2691 and dated November 21, 1962, created and defined the Lusk-Morrow Gas Pool for the production of gas from the Morrow formation. The horizontal limits for this pool currently include the following described lands in Lea and Eddy Counties, New Mexico:

| EDDY COU | JNTY |
|--------------------|---------------------|
| TOWNSHIP 19 SOUTH, | RANGE 31 EAST, NMPM |
| Section 13: | All |
| Sections 24 and 23 | 5: All |

| LEA COUNTY | |
|-------------------------|------------------------|
| TOWNSHIP 19 SOUTH, RANG | E <u>32 EAST, NMPM</u> |
| Sections 9 and 10: | All |
| Sections 15 and 16: | All |
| Sections 18 through 21: | All |
| Sections 27 through 30: | All |