

Ogrid - 36864 Page - 13613 Pool - 73440

10-28-75 CN-FD Sunt - 11, 211 Dual Ind. Laterby 8200-11, 279

IT IS THEREFORE ORDERED: COSC # 5532 7-30-75 order R-5078 8-12-75

(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying the S/2 of Section 12, Township 21 South, Range 26 East, NMPM, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox location, hereby approved, 1650 feet from the South line and 660 feet from the East line of said Section 12.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of November, 1975, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of November, 1975, Order (1) of this order shall be null and void and of no effect whatsoever;

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Hanagan Petroleum Corporation is hereby designated the operator of the subject well and unit. 20070

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| NC Tops/220 |
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| WC - 8600 |
| PENH- 9385 |
| Str 9910 |
| Htu 10,248 |
| Mor. LS 10, 640 |
| Mon. Cl 10, 860 |