

Pool:

(a) all of Section 3, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, comprising 640.56 acres, is currently simultaneously dedicated to the above-described North Indian Basin Unit Gas Com Well No. 3 located in Unit "K" of said Section 3 and the Comanche Federal "3" Well No. 1 (**API No. 30-015-28720**) located 1650 feet from the North line and 1850 feet from the East line (Unit G) of said Section 3;

(b) all of Section 10, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, is currently simultaneously dedicated to the above-described North Indian Basin Unit Well No. 1 located in Unit "M" of said Section 10 and the North Indian Basin Unit Well No. 30 (**API No. 30-015-29059**) located 660 feet from the North and East lines (Unit A) of said Section 10; and,

(c) all of Section 15, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, is currently simultaneously dedicated to the above-described Federal IBA Gas Com Well No. 1 located in Unit "K" of said Section 15 and the North Indian Basin Unit Gas Com Well No. 32 located in Unit "F" of said Section 15.

(9) Marathon presented geologic, geochemical and petroleum engineering evidence which determines that the E/2's of said Sections 3, 10 and 15 should be subject to the rules for the South Dagger Draw Pool while the W/2's of said Sections 3, 10 and 15 should be subject to the rules for the Indian Basin Gas Pool and which is summarized as follows:

(a) In the Indian Basin area, the Upper Pennsylvanian formations contain multiple compartmentalized reservoirs which are productive of oil, gas and water from several dolomitized horizons from the top of the Cisco formation to the base of the Canyon Two formation. Production from the Indian Basin Gas Pool is predominately gas production from the Cisco formation, while production from the South Dagger Draw Pool is predominately oil production with