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3/16/71 demp. Du 5/1/72 micro katerlog 5402 <u></u> 12172 haterlog 5402'- 12166 Mentron Gamma Ray 5402'- 12 171 Ray BHC acoustilog Suff- 12169

(1) That all mineral interests, whatever they may be, from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, are hereby pooled to form a 320-acre gas spacing unit to be dedicated to a well to be drilled at a standard location in either the NE/4 NW/4 or NW/4 NE/4 of said Section 11;

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<u>PROVIDED HOWEVER</u>, that the operators of said unit shall commence the drilling of said well on or before the 15th day

of November, 1970, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Morrow formation;

PROVIDED FURTHER, that in the event said operators do not commence the drilling of said well on or before the 15th day of November, 1970, 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thereof, said operators shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Michael P. Grace and Corinne Grace are hereby designated the operators of the subject well and unit.

(13) That upon the failure of the operators of the abovedescribed pooled unit to commence the well to which said unit: is dedicated on or before the 15th day of November, 1970, a ' non-standard gas proration unit comprising the E/2 NE/4, SW/4 NE/4, W/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, is hereby established and dedicated to a well to be drilled at a **Stan**dard location in the N/2 of said Section 11, to test any and all formations from the surface of the ground down to and **including the Morrow formation**.

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