TOWNSHIP 31 NORTH, RANGE 16 WEST - CONTINUED
Section 28:   All
Section 29:   All
Section 30:   All
Section 31:   N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 32:   All
Section 33:   All
Section 34:   All
Section 35:   All
Section 36:   W/2 SW/4

TOWNSHIP 31 NORTH, RANGE 17 WEST
Section 13:   SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4
Section 14:   All
Section 15:   NE/4, N/2 NW/4, SE/4 NW/4, N/2 SE/4,
               SE/4 SE/4
Section 23:   NE/4, N/2 NW/4, SE/4 NW/4, N/2 SE/4,
               SE/4 SE/4
Section 24:   All
Section 25:   N/2, SE/4, NE/4 SW/4
Section 36:   NE/4 NE/4

RULE 2.   The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

RULE 3.   Allowables for injection wells may be transferred to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio or are shut-in for any of the following reasons: pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or changes in characteristics of reservoir liquids or progress of sweep.

RULE 4.   The allowable assigned to any well which is shut-in or which is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to produce during the test prescribed by Rule 6, below, or greater than the current top unit allowable for the pool during the month of transfer, whichever is less.

RULE 5.   The allowable assigned to any injection well on a 40-acre proration unit shall be top unit allowable for the Horse-shoe-Gallup Oil Pool.

RULE 6.   The allowable assigned to any well which is shut-in or curtailed in accordance with Rule 3, shall be determined by a 24-hour test at a stabilized rate of production, which shall be