PROPOSED ADVERTISEMENT

Case No. <u>20294</u>:

Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 3 and 4 (the W/2SW/4) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 (the W/2W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to the Red Hills Well Nos. 002H and 102H, with first take points in Lot 3 of Section 31 and final take points in Lot 4 of Section 6. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 24 miles west of Bennett, New Mexico.

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