

PROPOSED ADVERTISEMENT

Case 11926: Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 33, Township 19 South, Range 28 East, NMPM, and in the following manner: The $W\frac{1}{2}$ of Section 33 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including but not limited to the Undesignated Winchester-Morrow Gas Pool, the Winchester-Atoka Gas Pool, the North Burton Flat-Strawn Gas Pool, and the Winchester-Wolfcamp Gas Pool; the $SW\frac{1}{4}$ of Section 33 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the $N\frac{1}{2}SW\frac{1}{4}$ of Section 33 to form a standard 80-acre spacing unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including but not limited to the Undesignated Old Millman Ranch-Bone Spring Associated Pool; and the $NW\frac{1}{4}SW\frac{1}{4}$ of Section 33 for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, including but not limited to the Undesignated Old Millman Ranch-Bone Spring Associated Pool, the Undesignated Fadeaway Ridge-Delaware Pool, and the Undesignated East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool. Said unit will be dedicated to applicant's Many Sands "33" Well No. 1, to be drilled at an orthodox location 1650 feet from the South

line and 660 feet from the West line of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling the well. Said unit is located approximately 11 miles east-southeast of Lakewood, New Mexico.