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Case 12261:

PROPOSED ADVERTISEMENT

Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E½ of Section 28, Township 21 South, Range 27 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Southeast La Huerta-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Esperanza "28" Well No. 1, to be drilled at a location 860 feet from the south line and 1204 feet from the east line of Section 28. Also to be considered will be the cost of drilling and completing the 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 and completing the well. The unit is located approximately 3½ miles northeast of Carlsbad, New Mexico.