PROPOSED ADVERTISEMENT

Case / 24 6/1:

00 SEP 12 PH 1:23 Energy Application of Southwestern Company for compulsory pooling, Eddy County, New Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage Section 31, Township 17 South, Range 28 East, NMPM, and in the following manner: The N½ 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 that vertical extent, including but not limited to the Undesignated Southeast Logan Draw-Atoka Gas Pool Undesignated North Illinois Camp-Morrow Gas Pool; the NE% 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 that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the NE%NE% to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at a location 660 feet from the north and east lines of Section 31. 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 units are located approximately 11% miles southeast of Artesia, New Mexico.

OR ON SERVING DIV.