NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

October 17, 1995

NGPA Permits

OCT 1 9 1995

Exxon Company, USA P.O. Box 1600 Midland. Texas 79702-1600

Attention: Mr. William T. Duncan

CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT FOR RECOVERED OIL TAX RATE

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary project, pursuant to the provisions of the New Mexico Enhanced Oil Recovery Act (Laws of 1992, Chapter 38). In order to qualify for the Recovered Oil Tax Rate, you must apply for certification of positive production response within five years from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of the Taxation and Revenue Department not later than the thirtieth day after termination.

NAME OF PROJECT:

Avalon (Delaware) Unit Waterflood Project

OCD ORDER NO.

R-10460

OPERATOR:

Exxon Corporation

Attn: W.T. Duncan

ADDRESS:

P.O. Box 1600

Midland, Texas 79702-1600

CERTIFICATION DATE: October 15, 1995

Exhibit No. Exxon Mobil Corporation Case No. 12512 October 19, 2000 Hearing

OFFICE OF THE SECRETARY - P. O. BOX 6429 - SANTA FE, NM 87505-6429 - (505) 827-5950

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PARK AND RECREATION DIVISION - P. O. BOX 1147 - SANTA FE, NM 87504-1147 - (505) 827-7465

PROJECT AREA of INITIAL INJECTION IMPLEMENTATION: (Pursuant to paragraph 8, page 12 of Division Order R-10460)

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 30: Lots 1 thru 4, SE/4 NW/4, E/2 SW/4, and S/2 SE/4.

Section 31: Lots 1 thru 3, NE/4, E/2 NW/4, NE/4 SW/4, N/2 SE/4, and

SE/4 SE/4.

Section 32: W/2 NW/4, N/2 SW/4 and SW/4 SW/4.

APPROVED BY:

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

DIRECTOR (

SEAL