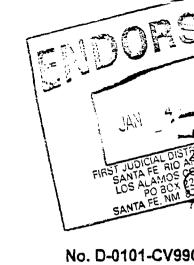
FIRST JUDICIAL DISTRICT STATE OF NEW MEXICO COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR, Plaintiff.



No. D-0101-CV9902927

NEW MEXICO OIL CONSERVATION DIVISION, LORI WROTENBERY, DIVISION DIRECTOR.

Defendants.

STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agree to the granting of the plaintiff's motion by the entry of this Declaratory Judgment in the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

- The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.
- 2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing

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of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for aifected persons. The application must be supported by evidence that the additional well or wells are necessary to efficiently and economically drain the proration unit, will prevent waste and protect correlative rights.

3. Each party shall bear their own costs and fees incurred in this matter.

JUDGE JIM HALL

JAMES A. HALL DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

/LE GALLEGOS

MICHAEL J. CONDON

Attorneys for Doyle Hartman, Oil Operator

MARILYN S. HEBERT

Attorney for New Mexico Oil Conservation

Division and Lori Wrotenbery, Director