

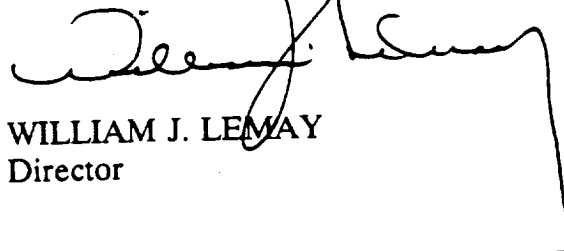
(7) The top allowable assigned to each well shall be up to 365 barrels per day for each quarter-quarter section penetrated by the vertical or horizontal extension of the wellbore, provided that each 40-acre quarter-quarter section shall provide a total allowable of no more than 365 barrels per day to all wells which have penetrated and are producing Denton-Devonian Pool hydrocarbons from that quarter-quarter section. Allowables shall be assigned by the supervisor of the Hobbs District Office.

(8) The applicant may apply to the Santa Fe Office of the Division for administrative approval to drill additional horizontal wells on its Mexico "F" lease. The application shall provide information to show that the well would be drilled in a manner consistent with this order and that offset operators have been properly notified and do not oppose the application. Upon receipt of the application the Division Director may approve the matter or set it for public hearing.

(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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