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IT IS THEREFORE ORDERED THAT:

(1) The application of Mewbourne Oli Company for the Querecho Plains Bone Spring Sand Unit, covering 2400.00 acres, more or less, of federal lands in the designated and Undesignated Querecho Plains-Upper Bone Spring Pool, Les County, New Mexico is hereby approved for statutory unitization pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA (1978).

(2) The Querecho Flains Bone Spring Sand Unit Agreement, as amended, and the Querecho Flains Bone Spring Sand Unit Operating Agreement, which were submitted to the Division at the time of the hearing as Exhibits 2 and 2 are hereby incorporated by reference into this order.

(3) The lands herein designated the Querecho Plains Bone Spring Sand Unit Area shall comprise the following described acreage in Les County, New Merico:

TOWNSHIP 18 SOUTH. RANCE 32 BAST. NMPM

Section 13: 5/2 SW/4 Section 14: 5E/4 Section 22: NE/4 SE/4 and S/2 SE/4 Section 23: All Section 24: W/2 NW/4 and SW/4 SW/4 Section 26: N/2 Section 27: All Section 28: E/2

(4) The vertical limits of said unitized area shall comprise the corresponding common source of supply designated the Querecho Flains-Upper Bone Spring Fool by Division Order No. R-5332-A; said vertical limits thereof are found in that stratigraphic interval between 8,328 feet to 8,620 feet as measured on the Weler - Specoal Density Dual Spaced Neutron Log ran on November 28, 1987 in the applicant's Federal Well No. 4 located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 23, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

(5) The applicant shall institute a waterflood project for the secondary recovery of oil and associated gas, condensate and all associated liqueflable hydrocarbons within and produced from the unit area, and said waterflood project which is the subject of Division Case No. 10762.

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