

WELL NAME & NUMBER

WELL LOCATION

Lovington Deep St. No. 1	823' FNL & 581' FEL (A)	1-17S-35E
Lovington Deep St. No. 2	1830' FSL & 660' FEL (I)	1-17S-35E
Lovington Deep St. No. 3	1874' FNL & 1980' FEL (G)	1-17S-35E
Lovington Deep Amoco St. No. 1	1980' FNL & 660' FWL (E)	6-17S-36E
Lovington Deep Amoco St. No. 2	1830' FSL & 510' FWL (L)	6-17S-36E

PROVIDED HOWEVER THAT, within the Lovington Deep State Well Nos. 1 and 2 and the Lovington Deep Amoco State Well Nos. 1 and 2, the applicant shall isolate the Upper Pennsylvanian formation and complete the Wolfcamp formation in such a manner as to permit the Wolfcamp to be singly produced until such time as the bottomhole pressure is compatible with the Upper Pennsylvanian formation and until such time as the Wolfcamp producing rate is sufficiently low to qualify for downhole commingling.

PROVIDED FURTHER THAT, the requirement described above may be waived by the supervisor of the Hobbs District Office of the Division if it is determined to be unnecessary from initial Wolfcamp test data obtained by the applicant.

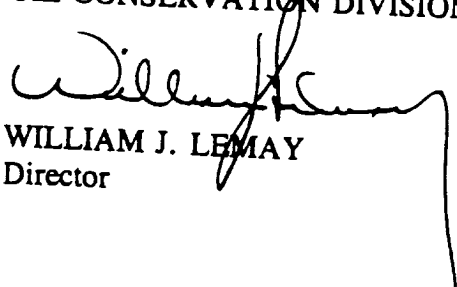
(2) Subsequent to completing the subject wells for downhole commingling, the applicant shall consult with the supervisor of the Hobbs District Office of the Division in order to determine the proper allocation of production from each respective pool.

(3) The operator shall immediately notify the supervisor of the Hobbs District Office of the Division any time any of the subject wells have been shut-in for seven consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) Jurisdiction is hereby 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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