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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

July 8, 1996

Doyle Hartman, Oil Operator P.O. Box 10426 Midland, Texas 79702 Attention: Doyle Hartman

Administrative Order SD-96-10

Dear Mr. Hartman:

Per your application dated June 14, 1996, supplemented by letter from Mr. Don Mashburn dated July 2, 1996, the simultaneously dedication of Eumont Gas Pool production to the previously approved non-standard 158.44-acre gas spacing and proration unit ("GPU") comprising Lots 3 and 4 and the W/2 SW/4 (SW/4 equivalent) of Section 18, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico (see Division Administrative Order NSP-66, dated December 27, 1954), from the existing Phillips Petroleum Company Hobbs Well No. 4 (API No. 30-025-06162), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 18 and to the proposed Doyle Hartman Hobbs Well No. 5 to be drilled at a standard gas well location 1980 feet from the South line and 1650 feet from the West line (Unit K) of said Section 18, is hereby approved;

PROVIDED HOWEVER THAT, subsequent to the completion of and prior to the commercial sale of gas from the Hobbs Well No. 5, a single operator shall be designated for the subject 158.44-acre GPU. At such time said designation is made the operator will be permitted to produce the allowable assigned said non-standard 158.44-acre GPU from both wells in any proportion.

Sincerely,

William J. Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

U. S. Bureau of Land Management - Carlsbad

File: NSP-66

Phillips Petroleum Company - Odessa, Texas