

Pools within the wellbore of its N. G. Penrose Well No. 4 located 350 feet from the North line and 660 feet from the East line (Unit A) of said Section 13, all in Lea County, New Mexico.

PROVIDED HOWEVER THAT, prior to commingling the production within the N.G. Penrose Well No. 4, the applicant shall separately test the Tubb zone until such time as the production rate has stabilized.

PROVIDED FURTHER THAT, the Director of the Division shall require the subject wells to be shut in should the subject gas proration unit become overproduced in the Tubb Oil and Gas Pool in accordance with the terms and conditions of Rule 11 (b)(2) of the General Rules for the Prorated Gas Pools in New Mexico as promulgated by Order No. R-8170, as amended.

(2) An unorthodox gas well location in the Tubb Oil and Gas Pool is hereby approved for the applicant's N.G. Penrose Well No. 4 located as described above.

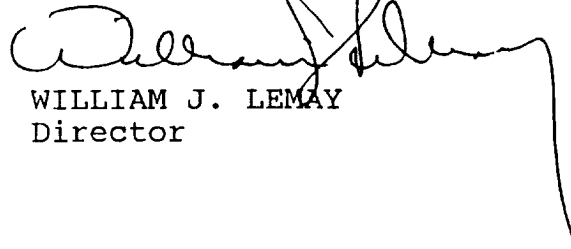
(3) A standard 160-acre gas spacing and proration unit consisting of the NE/4 of said Section 13 shall be simultaneously dedicated to the N.G. Penrose Wells Nos. 1, 2, and 4, as described above, within the Tubb Oil and Gas Pool.

(4) Upon completion of the workover operations in the subject wells, the applicant shall consult with the supervisor of the Hobbs district office of the Division to make adjustments and/or corrections to the allocation percentages submitted as evidence in this case.

(5) 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

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY  
Director

S E A L