(3) The applicant shall complete the Red Hills Unit Well No. 3 only in the Upper Wolfcamp interval from a depth of approximately 13,010 feet to 13,300 feet.

(4) The applicant shall produce only the Lower Wolfcamp interval in its Red Hills Unit Well No. 2.

(5) Authorization to produce both the Lower and Upper Wolfcamp intervals within either the Red Hills Unit Well Nos. 2 or 3 shall only be after notice and hearing.

(6) 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

SEAL