



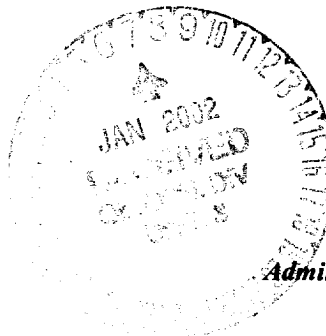
NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 31, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Pure Resources
P. O. Box 850
Bloomfield, New Mexico 87413
Attention: Michael Phillips



Administrative Order NSL-4680

Dear Mr. Phillips:

Reference is made to the following: (i) your application dated December 5, 2001 (*reference No. pKRV0-134436294*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Aztec and Santa Fe: all concerning Pure Resources' request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Order No. R-10987-B (1), dated August 10, 2000, for a non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 12, Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Pure Resources' Navajo "L-12" Well No. 6 (API No. 30-045-22034), located at a standard gas well location 1650 feet from the South line and 1150 feet from the West line (Unit L) of Section 12.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 12 is hereby approved:

Navajo "E-12" Well No. 9
2120' FNL & 700' FWL (Unit E)
(API No. 30-045-30934).

Further, both of the aforementioned Navajo "L-12" Well No. 6 and Navajo "E-12" Well No. 9 and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S Bureau of Land Management - Farmington