



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 10, 1993

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STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Mitchell Energy Corporation  
Attn: Mark N. Stephenson  
P.O. Box 4000  
The Woodlands, Texas 77387-4000

*Administrative Order NSL-3226*

Dear Mr. Stephenson:

Reference is made to your applications dated January 26 and February 2, 1993 for two unorthodox gas well locations to test the Morrow formation in Section 25, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico.

It is our understanding the two proposed standard 320-acre "lay-down" spacing and proration units to be developed by the two proposed wells on Mitchell's Apache "25" Federal Lease are within the Oil/Potash "R-111-P" Area, and are therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the U.S. Bureau of Land Management, being the authorizing agency for permitting oil and gas wells on Federal lands, recommended the subject locations to minimize or alleviate any potential undue waste of potash.

By the authority granted me under the provisions of Division General Rule 104.F(1) the following two unorthodox gas well locations in said Section 25 are hereby approved:

- Well No. 1 to be drilled 1730 feet from the North line and 660 feet from the East line (Unit H) is to be dedicated to the N/2 of the section; and,
- Well No. 2 to be drilled 660 feet from the South line and 1310 feet from the East line (Unit P) is to be dedicated to the S/2 of the section.

Sincerely,

William J. LeMay  
Director

WJL/MES/amg

cc: US Bureau of Land Management - Carlsbad