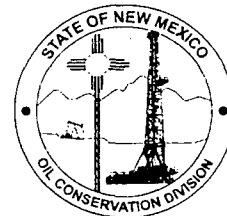


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



June 25, 2009

Roddy Production Company, Inc.
Attn: Ms. Anne E. Ritchie
P.O. Box 953
Midland, TX 79702

Administrative Order NSP-1931

Re: Roddy Production Company, Inc.
Ransom Well No. 1
API No. 30-045-08274
SE/4 of Section 13-29N-11W
San Juan County

Dear Ms. Ritchie:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-13350369**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 13, 2009, on behalf of Roddy Production Company, Inc. [OGRID 36845] (Roddy); and

(b) the Division's records pertinent to Roddy's request.

Roddy has requested approval of a non-standard 160-acre gas spacing unit in the Basin Fruitland Coal Gas Pool (71629), consisting of the SE/4 of Section 13, Township 29 North, Range 11 West, NMPM, in San Juan County, New Mexico. Spacing in this pool is governed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units, but allows an effective well density of one well per 160 acres.

Your application on behalf of Roddy has been duly filed under the provisions of Division Rules 15.11.B and 4.12.A(3).

We understand that you are seeking establishment of this non-standard unit because your engineering assessment indicates that this well will not drain more than 160 acres in the



June 25, 2009

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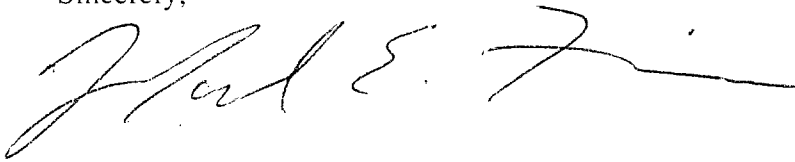
Fruitland Coal, and establishing a 160-acre unit will maintain the ownership of an existing well that was drilled by the owners of the 160-acre unit originally to test another formation.

We further understand that you have provided notice of this application to all affected persons in all parts of Section 13 that will not be included in the proposed 160-acre unit.

Pursuant to the authority granted me under the provisions of Rule 15.11.B, the above-described non-standard 160-acre Basin Fruitland Coal gas spacing unit is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec