

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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 8, 1990

Grace Petroleum Corporation
Hall Tower Park North
10700 North Freeway, Suite 620
Suite 620
Houston, TX 77037

Attention: Terry L. Wright,
District Manager

Amended Administrative Order NSL-2191

Dear Mr. Wright:

It has been called to my attention that Division Administrative Order NSL-2191, dated November 21, 1985, which authorized a non-standard bottomhole location in the Undesignated South Salt Lake Atoka Gas Pool for your Felmont Federal Well No. 2 located 1194 feet from the South line and 1659 feet from the West line (Unit L) of Section 25, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, is in error. Said order indicates that the W/2 of said Section 25 was to be dedicated to this well forming a 320-acre gas spacing and proration unit; however, the South Salt Lake Atoka Gas Pool is developed on 160-acre spacing, pursuant to Division General Rule 104.A. and 104.C.II. and Division Order No. R-2101.

It is hereby ordered that Administrative Order NSL-2191 be amended at this time to properly reflect the acreage dedicated to the subject well in the South Salt Lake Atoka Gas Pool as the SW/4 of said Section 25 thereby forming a standard 160-acre gas spacing and proration unit for said pool.

Further, you are hereby ordered to file a new Form C-102 for the subject well dedicating 160-acres. Failure to do so within 60 days of the date of this order shall subject the well to a shut-in order until such requirements are met.

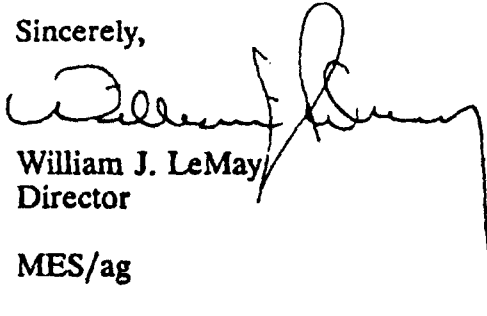
All other provisions in said original Order NSL-2191, not in conflict with the above-described amendments shall remain in full force and effect until further notice.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13646 Exhibit No. 4
Submitted by:
CHESAPEAKE OPERATING, INC.
Hearing Date: February 16, 2006

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If you should have any questions or comments concerning this matter, please contact Michael E. Stogner in Santa Fe at (505) 827-5811, or Evelyn Downs in Hobbs at (505) 393-6161.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal stroke extending to the right and a vertical line dropping down from the end.

William J. LeMay
Director

MES/ag

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

2/8/90

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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SANTA FE, NEW MEXICO 87501
(505) 827-2434

Note to File - NSL-2191.

*Per a telephone conversation today with Evelyn Rowne
in Hall, the Atocha zone shall have decreased 160
acres, not 320 as indicated on NSL-2191.
Operator does not have a paper C-102 either.*

M. J. [Signature]