



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 7, 1997

Fasken Oil & Ranch, Ltd.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Administrative Order NSL-393-A(SD)

Dear Mr. Kellahin:

Reference is made to: (i) your original application for administrative review on behalf of the operator, Fasken Oil & Ranch, Ltd. ("Fasken"), dated September 22, 1997; (ii) the New Mexico Oil Conservation Division's ("Division") initial response to said application by letter from Mr. Michael E. Stogner dated October 10, 1997; (iii) your amended application for administrative review by letter dated November 4, 1997; and, (iv) the records of the Division in Santa Fe, including the file in Division Case 11878: all of which concern Fasken's request for a non-standard infill gas well location in the Indian Basin-Morrow Gas Pool for Fasken's proposed Indian Hills Unit Well No. 15 (API No. 30-015-29870) to be drilled 1300 feet from the South line and 330 feet from the West line (Lot 5/Unit M) of irregular Section 17, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

Said Section 17 is within the boundaries of the Indian Basin-Morrow Gas Pool and pursuant to **RULE 5(b)** of the "*Special Rules and Regulations for the Indian Basin-Morrow Gas Pool*", as promulgated by Division Order No. R-8170-O-1/R-2441-B, issued in Case 11512 and dated July 31, 1996, said infill gas well location is considered to be unorthodox for a standard 640-acre, more or less, Morrow gas spacing and proration unit.

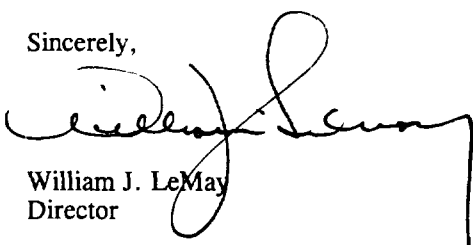
This well is to be included within an existing standard 663.86-acre gas spacing and proration unit ("GPU") comprising all of said irregular Section 17, which is currently dedicated to Fasken's Indian Hills Unit Gas Com "A" Well No. 6 (API No. 30-015-20006), located at a previously approved unorthodox gas well location (see Division Administrative Order NSL-393, dated February 13, 1967) 1440 feet from the South and East lines (Lot 2/Unit J) of said Section 17.

This application has been duly filed under the provisions of **RULE 104.F** of the Division's General Rules and Regulations.

By the authority granted me under the provisions of **RULE 6** of said special pool rules and Division General **RULE 104.F(2)**, the above-described unorthodox infill gas well location is hereby approved.

Also, Fasken is hereby authorized to simultaneously dedicate Indian Basin-Morrow gas production from its existing Indian Hills Unit Gas Com "A" Well No. 6 with the proposed Indian Hills Unit Well No. 15 within the subject 663.86-acre unit.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Case 11878