



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 10, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Ocean Energy Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSP-1824

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Ocean Energy Resources, Inc. ("Ocean Energy"), submitted to the New Mexico Oil Conservation Division ("Division") on June 20, 2000; and (ii) the Division's records in Santa Fe, including the file on Division Order No. R-10803: all concerning Ocean Energy's request for a 40-acre non-standard oil spacing and proration unit consisting of the following acreage in the South Big Dog-Strawn Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Irregular Section 2: NW/4 SE/4.

This unit is to be dedicated to Ocean Energy's proposed Townsend "2" State Well No. 11 to be drilled at a standard oil well location 1800 feet from the South line and 1650 feet from the East line (Unit R) of irregular Section 2.

This application has been duly filed under the provisions of Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and Rule 2 of the "Special Rules and Regulations for the South Big Dog-Strawn Pool," as promulgated by Division Order No. R-10448-A, issued in Case No. 11599 and dated February 26, 1997.

By the authority granted me under the provisions of Division Rule 104.D (2) (b) and Rule 3 of the special South Big Dog-Strawn Pool rules, the above-described 40-acre non-standard oil spacing and proration unit is hereby approved.

Sincerely,

Lori Wrotenbery
Director

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cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: Case No. 12450