

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

January 4, 1989

Destiny Oil and Gas, Inc.
P.O. Box 7486
Tyler, TX 75711-7486

Attention: Ted W. Walters, President

Administrative Order NSL-2611

Dear Mr. Walters:

Reference is made to your complete application of November 28, 1988 for a non-standard gas well location to be drilled 1250 feet from the South line and 1080 feet from the East line (Unit P) of Section 21, Township 16 South, Range 35 East, NMPM, to test the Pennsylvanian System, Lea County, New Mexico. The S/2 of said Section 21 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools being developed on 320-acre spacing (which includes but is not necessarily limited to the Undesignated Shoe Bar Atoka Gas Pool and the Undesignated Townsend Morrow Gas Pool) within said vertical limits.

By the authority granted me under the provisions of General Rule 104 F(II), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style and is positioned above the typed name and title.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
New Mexico Oil & Gas Engineering Committee - Hobbs
New Mexico State Land Office - Santa Fe