

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

June 3, 1991

Spence Energy Company
c/o Jerry W. Long
2709 Resolana Drive
Roswell, NM 88201

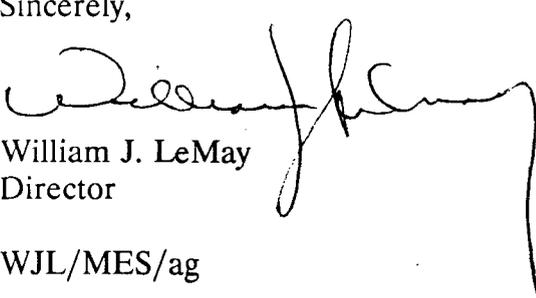
Administrative Order NSL-3017

Dear Mr. Long:

Reference is made to your application dated April 22, 1991 for a non-standard oil well location for your Kellahin "14" State Well No. 4 located 980 feet from the South line and 330 feet from the East line (Unit P) of Section 14, Township 9 South, Range 32 East, NMPM, South Flying "M" Bough Pool, Lea County, New Mexico. The S/2 SE/4 of said Section 14 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the South Flying "M" Bough Pool, as promulgated by Division Order No. R-3228, as amended, the above-described unorthodox oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe