

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



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

January 31, 1994

American Hunter Exploration, Ltd.
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505

Attention: Brian Wood

Administrative Order NSL-3347(NSP)

Dear Mr. Wood:

Reference is made to your application dated January 7, 1994, for a non-standard oil well location for your Phoenix Well No. 1 to be drilled 240 feet from the South line and 1680 feet from the West line (Unit K) of Section 28, Township 27 North, Range 1 East, NMPM, to test both the Dakota and Entrada formations for oil, Rio Arriba County, New Mexico. Lot 3 of said Section 28 shall be dedicated to the well forming a non-standard 24.01-acre oil spacing and proration unit.

By the authority granted me under the provisions of General Rules 104.F(1) and 104.D(2), the above-described unorthodox oil well location and non-standard oil proration unit are hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington