

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

August 11, 1994

Lewis B. Burleson, Inc.
P.O. Box 2479
Midland, TX 79702

Attention: Lewis B. Burleson

Administrative Order NSL-3415(SD)

Dear Mr. Burleson:

Reference is made to your application dated June 14, 1994, for an unorthodox Eumont gas well location in an existing non-standard 160-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising the NW/4 of Section 12, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-5551, dated October 25, 1977 and presently has dedicated thereon the McQuatters Well No. 1 (API No. 30-025-25675) located in Unit C of said Section 12.

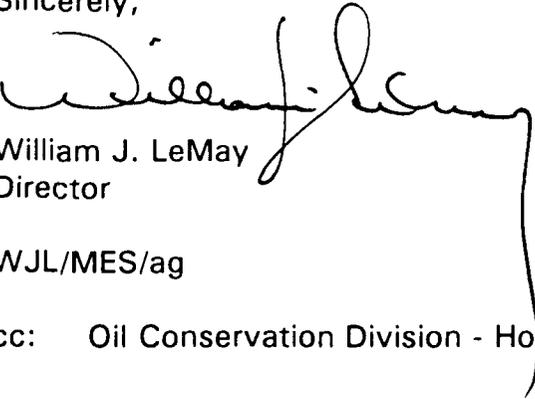
It is our understanding at this time that it is your intention to re-enter the previously plugged and abandoned Amoco Production Company McQuatters Well No. 5 (API No. 30-028-26531), located 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 12, which was originally drilled in 1979 and produced oil from both the Hardy Blinbry and the Hardy Tubb Drinkard Pools until 1992. Also, it is our understanding that said well will be recompleted up-hole to the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above-described well location at an unorthodox gas well location is hereby approved.

Administrative Order NSL-3415(SD)
Lewis B. Burluson, Inc.
August 11, 1994
Page 2

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the McQuatters Well No. 1 with the McQuatters Well No. 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of said wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs