



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 17, 1995

EnRe Corporation
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, New Mexico 87505

Attention: Brian Wood

Administrative Order NSL-3500(NSP)

Dear Mr. Wood:

Reference is made to your application dated February 25, 1995 for a non-standard Blanco-Mesaverde gas well location for your existing Leavry Canyon 28-B Well No. 1 (API No. 30-039-25233), which was drilled in 1992 and completed in the Gavilan-Mancos Oil Pool at a previously approved unorthodox oil well location (Division Order No. R-9733, dated September 22, 1992) 455 feet from the North line and 1510 feet from the East line (Unit B) of irregular Section 28, Township 27 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

It is our understanding that the Mancos interval has been properly plugged back and said well has been recompleted to the Blanco-Mesaverde Pool, which pursuant to the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, is unorthodox. Further, Lots 1 and 2 and the NE/4 of said Section 28 is to be dedicated to said well forming a non-standard 215.04-acre gas spacing and proration in said pool.

By the authority granted me under the provisions of Rules 2(a)4 and 2(c) of the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No.

Administrative Order NSL-3500(NSP)

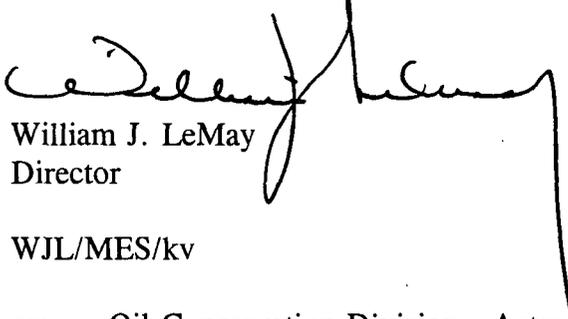
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R-8170, as amended, the above-described unorthodox gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end of the name.

William J. LeMay
Director

WJL/MES/kv

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