



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 28, 1996

McElvain Oil & Gas Properties, Inc.
P. O. Box 2148
Santa Fe, New Mexico 87504-2148
Attention: Anna M Griego

Administrative Order NSL-3699

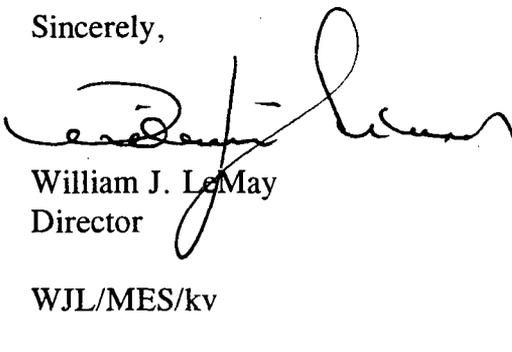
Dear Ms. Griego:

Reference is made to your application dated August 7, 1996 for a non-standard Blanco-Mesaverde gas well location 2840 feet from the North line and 950 feet from the East line (Unit H) of Section 1, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, for your existing FD Well No. 1 (API No. 30-039-24117), which was drilled at a standard oil well location in 1987 and completed in the West Lindrith Gallup-Dakota Oil Pool.

It is our understanding that the Gallup interval is to be properly plugged back and said well will be recompleted to the Blanco-Mesaverde Pool and, pursuant to the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, said location is unorthodox. Further, Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 1 shall be dedicated to the well to form a 391.92-acre gas spacing and proration unit for the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of **Rule 2(d)** of said special pool rules, the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec