



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 20, 1999

EnerQuest Resources, L.L.C.
P. O. Box 11150
Midland, Texas 79702
Attention: Christopher P. Renaud

Telefax No. (915) 687-4804

Administrative Order NSL-4260(SD)

Dear Mr. Renaud:

Reference is made to your application dated April 16, 1999 for an exception to New Mexico Oil Conservation Division ("Division") Rule 104.C(1)(a) for a non-standard San Andres "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 (Unit O) of Section 30, Township 18 South, Range 39 East, NMPM, East Hobbs-San Andres Pool, Lea County, New Mexico.

This 40-acre unit is currently dedicated to EnerQuest Resources, L.L.C.'s ("EnerQuest") Lanley Well No. 2 (API No. 30-025-07957) located at a standard oil well location 660 feet from the South line and 2000 feet from the East line of Section 30.

Further, the W/2 SW/4 and the SE/4 SE/4 of Section 30 is a single fee lease in which EnerQuest is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than EnerQuest.

The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled approximately 193 feet from its Lanley Well No. 2 as an infill well to the East Hobbs-San Andres Pool within the SW/4 SE/4 (Unit O) of Section 30 is hereby approved:

**Lanley "A" Well No. 2
853' FSL & 1980' FEL**

Further, both the existing Lanley Well No. 2 and the proposed Lanley "A" Well No. 2 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,



Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs