

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



June 15, 2009

Enerdyne LLC  
Attn: Mr. Don L. Hanosh  
P.O. Box 502  
Albuquerque, NM 87103

## Administrative Order NSL-6043

**Re: Endy Well No. 101**  
**API No. 30-031-21103**  
**1250 feet FNL and 1900 feet FWL**  
**Unit C, Section 32-20N-9W**  
**McKinley County, New Mexico**

**State 32 Well No. 102**  
**API No. 30-031-21105**  
**1340 feet FNL and 2000 feet FEL**  
**Unit G, Section 32-20N-9W**  
**McKinley County, New Mexico**

Dear Mr. Hanosh:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-14948599**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 29, 2009, and

(b) the Division's records pertinent to this request.

Enerdyne LLC [OGRID 185239] (Enedyne) has requested to drill the above-referenced wells at unorthodox oil well locations, described above in the caption of this letter.

The NE/4 NW/4 of Section 32 will be dedicated to the Endy Well No. 101, and the SW/4 NE/4 of Section 32 will be dedicated to the State 32 Well No. 102, in order to form standard 40-acre spacing units for these wells in the undesignated Blackeye Mesaverde Pool (6290). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.



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The Endy Well No. 101 location is less than 330 feet from its southern unit boundary. The State 32 Well No. 102 location is less than 330 feet from its northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking these location for geologic reasons, because available seismic data indicates that these locations are the most prospective in the target formation.

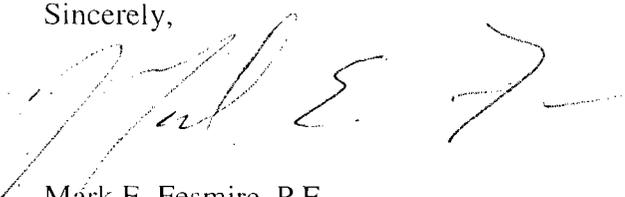
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec  
New Mexico State Land Office - Santa Fe