



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

April 9, 2001

Seely Oil Company
815 West Tenth Street
Fort Worth, Texas 76102
Attention: C. W. Stumhoffer

Administrative Order NSL-4572

Dear Mr. Stumhoffer:

Reference is made to the following: (i) your application dated March 14, 2001; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer in Santa Fe with the New Mexico Oil Conservation Division ("Division"); (iii) the Division's initial response by letter dated March 28, 2001 from Mr. Stogner; (iv) your response by letter dated March 31, 2001 with sufficient data to complete this application; and (v) the records of the Division: all concerning Seely Oil Company's ("Seely") request to drill its McElvain Federal Well No. 8 at an unorthodox Delaware oil well location 990 feet from the North line and 1550 feet from the East line (Unit B) of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

The NW/4 NE/4 (Unit B) of Section 30 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Undesignated EK-Delaware Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that Seely is seeking this location exception for both topographical and geological reasons.

Further, it appears that the area comprising the N/2 and SW/4 of Section 29 and the E/2 and E/2 NW/4 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, comprises a portion of a single federal lease (U. S. Government Lease No. NM-0245247) with common mineral ownership; therefore, there are no adversely effected offset mineral interests to the subject 40-acre tract.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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