



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 22, 2001

Lori Wrotenbery
Director
Oil Conservation Division

E.G.L. Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4657

Dear Mr. Bruce:

Reference is made to the following: (i) E.G.L. Resources, Inc.'s ("EGL") initial application (*NMOCD Reference No. pKRV0-110646326*) filed with the New Mexico Oil Conservation Division ("Division") on April 9, 2001 by Ms. Linda Johnston of Midland, Texas; (ii) the Division's responses by letter from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe, New Mexico dated May 2 and August 30, 2001 requesting additional data and withdrawing this application; (iii) your re-submittal of this application (*NMOCD Reference No. pKRV0-129039785*) on behalf of EGL to the Division on October 17, 2001; and (iv) the Division's records in Santa Fe: all concerning EGL's request for an exception to Rule 4 of the "*Special Rules and Regulations for the Rock Tank-Lower Morrow Gas Pool*," as promulgated by Division Order No. R-3428, as amended, in order to drill its proposed Rock Tank Federal Well No. 5 at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico.

All of Section 12, being a standard 640-acre gas spacing and proration unit for the Rock Tank-Lower Morrow Gas Pool (84000), is to be dedicated to this well.

Your resubmitted application has been duly filed under the provisions of: (i) the special rules governing this pool; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the potentially productive interval of the lower Morrow formation than a well drilled at a location considered to be standard within the subject 640-acre unit.

By the authority granted me under the provisions of: (i) Rule 5 of the special rules governing the Rock Tank-Lower Morrow Gas pool; and (ii) Division Rule 104.F (2), the unorthodox gas well

Administrative Order NSL-4657

E.G.L. Resources, Inc.

October 22, 2001

Page 2

location of the proposed Rock Tank Federal Well No. 5 is hereby approved.

Sincerely,



A handwritten signature in cursive script, appearing to read "Lori Wrotenbery". The signature is written in black ink and is positioned above the typed name and title.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad