



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 3, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Fasken Oil and Ranch, Ltd.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

Administrative Order NSL-4672

Dear Mr. Kellahin:

Reference is made to the following: (i) Fasken Oil & Ranch, Ltd.'s ("Fasken") initial application that was submitted to the New Mexico Oil Conservation Division ("Division") on October 23, 2001 (*application reference No. pKRV0-139447098*) for administrative review, (ii) a letter of objection filed by the New Mexico State Land Office on October 25, 2001; (iii) the Division's records in Santa Fe including the file in Division Case No. 12777; and (iv) the New Mexico State Land Office's letter dated November 29, 2001 withdrawing its objection: all concerning Fasken's request for a non-standard gas well location within the N/2 of Section 31, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, being a standard 320-acre lay-down gas spacing unit in the Cemetery-Morrow Gas Pool (74640).

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 Fasken seeks this location exception for both topographical and geological reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well in the Cemetery-Morrow Gas Pool to be drilled at an unorthodox gas well location within this 320-acre unit is hereby approved:

Cameron "31" Federal Well No. 2
2449' FNL & 408' FEL (Unit H).

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

Sincerely,

Lori Wrotenbery
Director

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cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
New Mexico State Land Office - Santa Fe
File: Case No. 12777