



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

February 13, 2002

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-4698

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Fasken Oil and Ranch, Ltd. ("Fasken") dated January 24, 2002 (*application reference No. pKRV0-202551976*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Fasken's request for an exception to the provisions of Division Rule 104.C (2) (b) for an infill gas well to be drilled at an unorthodox deep gas well location within an existing standard 320-acre lay-down gas spacing and proration unit in the Cemetery-Morrow Gas Pool (74640) comprising Lots 1 through 8 (top one-third) of irregular Section 4, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

This 284.80-acre unit is currently dedicated to Fasken's Ross Federal Com. Well No. 3 (API No. 30-015-22716), located at an unorthodox gas well location 1641 feet from the North line and 460 feet from the West line (Lot 5/Unit E) of irregular Section 4 (approved by Division Order No. R-5822, issued in Case No. 6329 and dated October 6, 1978)

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 to be drilled at an unorthodox infill Cemetery-Morrow gas well location within this 284.80-acre unit is hereby approved:

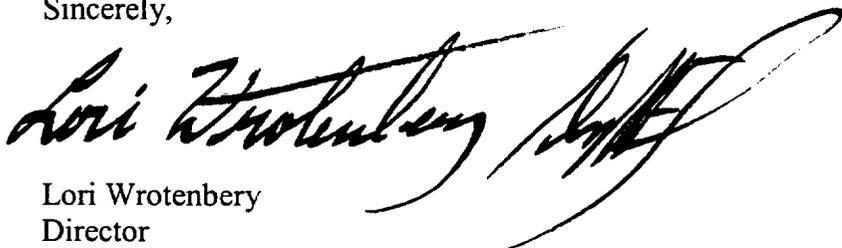
Ross Federal (Com.) Well No. 5
660' FNL & 2625' FEL (Lot 2/Unit B).

Fasken is hereby authorized to simultaneously dedicate production attributed to the Cemetery-Morrow Gas Pool from its existing Ross Federal Com. Well No. 3 with the proposed Well No. 5.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized flourish.

Lori Wrotenbery
Director

LW/MES/kv

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