



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

December 5, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701
Attention: Alan W. Bohling

Fax No. (915) 686-7962

Administrative Order NSL-4817

Dear Mr. Bohling:

The New Mexico Oil Conservation Division (Division) received your application on December 4, 2002, (*application reference No. pKRV0233928398*) requesting a non-standard gas well location in all formations spaced on 320 acres for the proposed Waller "23" Well No. 1 to be operated by Pure Resources, L.P. (Pure). This well is to be drilled at a location 2073 feet from the South line and 983 feet from the East line (Unit I) of Section 23, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico.

The 320-acre E/2 of Section 23, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico, is to be dedicated to this well for all pools based on 320-acre gas spacing and proration units. The primary target of this well is deep gas – currently no deep gas wells produce or gas pools exist within one (1) mile of this proposed well.

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 Pure is seeking this location to prevent waste based on geological and geophysical considerations. This well is proposed 567 feet from the northern boundary of the quarter section the well is to be located. As such its location is non-standard by being closer than 660 feet – violation of Division rule 104.C.2.a. This location is internally non-standard, Section 23 is Federal minerals and operated in its entirety by Pure, and there are no affected parties to notice.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described non-standard deep gas well wildcat location within this 320-acre spacing unit comprising the E/2 of Section 23 is hereby **approved**.

Sincerely,

Lori Wrotenbery
Director
LW/wvjj

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management – Roswell