



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 3, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Chisos, Ltd.

c/o Delta "P" Petroleum Services

P. O. Box 2079

Midland, Texas 79702-2079

Attention: Bill Pierce
Consulting Engineer
deltapservices@sbcglobal.net

Administrative Order NSL-4521-A

Dear Mr. Pierce:

Reference is made to the following: (i) your application dated July 14, 2004 on behalf of the operator, Chisos, Ltd.; (ii) my e-mail of Monday afternoon, August 2, 2004 for verification of conflicting information within your application; (iii) your subsequent e-mail reply Tuesday morning, August 3rd; and (iv) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Chisos, Ltd.'s request to amend an existing order of the Division that approved an unorthodox deep Morrow gas well location by expanding the vertical limits of the provisions in this order to include the Strawn formation.

Your application (*administrative order reference No. pMES0-421635936*), which was received by the Division in Santa Fe on July 27, 2004 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.

By Division Administrative Order NSL-4521, dated November 1, 2000, Bellwether Exploration Company received authorization to drill the Wishbone Federal Com. Well No. 1 (API No. **30-015-30640**), at an unorthodox deep Morrow gas well location 2000 feet from the South line and 680 feet from the West line (Lot 6/Unit L) of Section 6, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, within a standard 313.04-acre stand-up gas spacing unit in the Turkey Tract-Morrow Gas Pool (**86480**) comprising Lots 3, 4, 5, 6, and 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6.

It the Division's understanding that Chisos, Ltd. recently reentered this well, abandoned the Morrow interval, and recompleted up-hole as a gas well in the Strawn interval. Pursuant to Division Rule 104.C (2) (a) however this location is also considered to be non-standard for a deep wildcat Strawn gas well (**96081**) within the W/2 equivalent of Section 6.

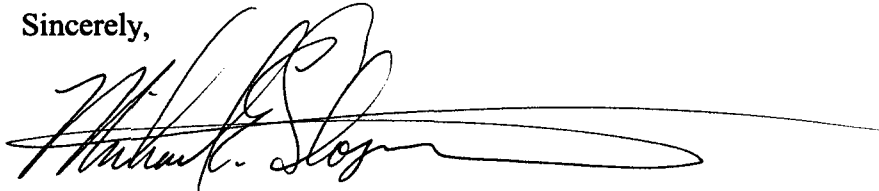
By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Strawn gas well location for Chisos, Ltd.'s Wishbone Federal Com. Well No. 1 is hereby approved.

Chisos, Ltd.
August 3, 2004
Page 2

Division Administrative Order NSL-4521-A

Further, Division Administrative Order NSL-4521 dated November 1, 2000 is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4521