



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Breck Operating Corp.

Attention: Donald R. Craig, P. E., dcraig@breckop.com

P. O. Box 911

Breckenridge, Texas 7624-0911

November 3, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order NSP-1880

Dear Mr. Craig:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on August 30, 2004 (*administrative application reference No. pSEM0-424427876*); and (ii) the Division's records in Hobbs and Santa Fe, including the file on Division Administrative Order NSP-1879: all concerning Breck Operating Corp.'s ("Breck") request for a non-standard 160-acre gas spacing unit comprising the following acreage in the Jalmat Gas Pool (79240):

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 22: SE/4.

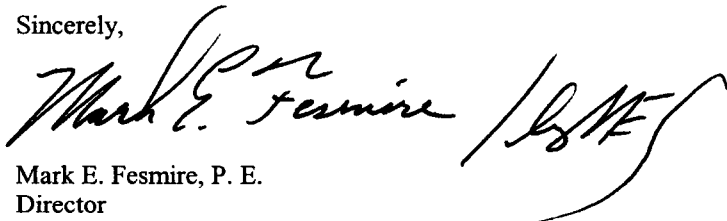
This application has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

It is the Division's understanding that the proposed unit is to be dedicated to Breck's existing South Eunice Unit Well No. 25 (**API No. 30-025-08999**), to be redesignated back to the well's original name, the Meyer "B-22" Well No. 12, which is located at a standard Jalmat gas well location 660 feet from the South and East lines (Unit P) of Section 22. It is further understood from the Division's records and from your application that Breck intends to abandon this well's current South Eunice-Seven Rivers Queen Pool (24130) oil completion and plug back into the shallower Jalmat Gas Pool.

By the authority granted me under the provisions of Rules 4 (C) (1) (a) and 4 (D) of the special rules now governing the Jalmat Gas Pool, the above-described 160-acre non-standard gas spacing unit is hereby approved.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management – Carlsbad