



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 1, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Gruy Petroleum Management Company
P. O. Box 140907
Irving, Texas 75014-0907
Attention: Zeno Farris

Administrative Order NSP-1831(SD)

Dear Mr. Farris:

Reference is made to the following: (i) your application dated August 20, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file in Division Case Nos. 12015 and 12017 (see Division Order No. R-11476, dated November 1, 2000): all concerning Gruy Petroleum Management Company's request for a 120-acre non-standard gas spacing and proration unit consisting of the following acreage in the Rhodes-Yates-Seven Rivers Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 16: N/2 SW/4 and SW/4 SW/4.

It is our understanding that this unit is to be simultaneously dedicated to the two following described wells:

- (1) Rhodes State Com. Well No. 20 (**API No. 30-025-24506**), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of Section 16; and
- (2) Rhodes State Com. Well No. 21 (**API No. 30-025-24507**), located at a standard gas well location 660 feet from the South and West lines (Unit M) of Section 16.

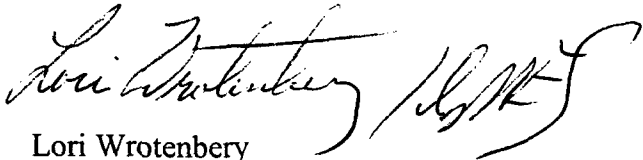
The subject application has been duly filed under the provisions of Division Rule 104.D, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.D (2), the above-described 120-acre non-standard gas spacing and proration unit is hereby approved.

Administrative Order NSP-1831(SD)
Gruy Petroleum Management Company
November 1, 2000
Page 2

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

Sincerely,

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

Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr, Legal Counsel for Gruy Petroleum Management Company - Santa Fe