



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

May 30, 2003

Lori Wrotenbery
Director
Oil Conservation Division

DJ Simmons, Inc.
1009 Ridgeway Place – Suite 200
Farmington, New Mexico 87401
Attention: John A. Byrom

Telefax No. (505) 327-4659

Administrative Order NSL-4890

Dear Mr. Byrom:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on May 7, 2003 (*administrative application reference No. pKRV0-312748988*); and (ii) the Division's records in Aztec and Santa Fe: all concerning DJ Simmons, Inc.'s existing Byrne Federal "24" Well No. 1 (API No. 30-039-27262) recently drilled at an unorthodox Pictured Cliffs gas well location 1909 feet from the North line and 594 feet from the West line (Unit E) of Section 24, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

The NW/4 of Section 24 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Undesignated Tapacito-Pictured Cliffs Pool (85920).

This application has been duly filed under the provisions of: (i) 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; (ii) Division Rule 605; and (iii) the "*Special Rules for the Tapacito-Pictured Cliffs Pool*," as promulgated by Division Order No. R-10987, issued in Case No. 11705 on May 7, 1998.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Tapacito-Pictured Cliffs Pools, the above-described unorthodox gas well location is hereby approved.

Further, the Tapacito-Pictured Cliffs interval within the aforementioned well and respective spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Albuquerque