



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 13, 1999

**OGS Operating Company, Inc.
550 W. Texas, Suite 1140
Midland, Texas 79701
Attention: Thom O'Brien, President**

Telefax No. (915) 682-4634

Administrative Order NSP-1806(L)

Dear Mr. O'Brien:

Reference is made to your application dated August 9, 1999 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Undesignated Bluit-San Andres Associated Pool:

**ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 16: NW/4.**

It is the Division's understanding that this unit is to be dedicated to OGS Operating Company, Inc.'s proposed Bluit "16" State Well No. 2 to be drilled at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 16.

By authority granted me under the provisions of Rules 2(c) and 4(b) of the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluit-San Andres Associated Pool," as promulgated by Division Order No. R-5353, as amended, the above-described unorthodox gas well location and non-standard 160-acre gas spacing and proration unit are hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe