



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 5, 2003

Fasken Oil and Ranch, Ltd.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

Administrative Order NSL-4838

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Fasken Oil and Ranch, Ltd. ("Fasken") dated January 16, 2003 (*application reference No. pKRV0-301729968*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order DHC-3053: all concerning Fasken's request for an unorthodox gas well location in both the Strawn and deeper Atoka formations for its existing Howell "29" Com. Well No. 1 (API No. 30-015-21140), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 29, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico.

The N/2 of Section 29, being a standard 320-acre lay-down gas spacing unit for both the deeper wildcat Atoka formation and the shallower Strawn formation within either the Undesignated North Indian Basin-Strawn Gas Pool (97013) or Undesignated Cemetery-Strawn Gas Pool (74650), is to be dedicated to this well.

This application 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.

According to the Division's well records, the subject well was initially drilled in 1974 by David Fasken and completed in the Cemetery-Morrow Gas Pool (74640) at a location considered to be standard at that time.

It is further understood that the Morrow interval is to be abandoned at this time and that Fasken intends to plug the well back and recomplete up-hole into the upper-Pennsylvanian, Strawn, and Atoka intervals as proposed by Division Administrative Order DHC-3053, dated September 26, 2002. Pursuant to Rule 2 (b) of the "*Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool/General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended, this location is "standard" within the

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Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool (15475) for the proposed lay-down 320-acre spacing and proration unit comprising the N/2 of Section 29; however, in accordance with Division Rule 104.C (2) (a) this location is now unorthodox for the deeper gas bearing Strawn and Atoka intervals.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location to both the Strawn and Atoka formations within this 320-acre unit comprising the N/2 equivalent of Section 29 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: DHC-3053