STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

September 18, 1991

Graham Royalty, Ltd. 5429 LBJ Freeway - Suite 550 Dallas, Texas 75240

Attention: Jason C. Sizemore

Administrative Order NSL-3052

Dear Mr. Sizemore:

Reference is made to your application dated August 23, 1991 for a non-standard oil well location for your existing Nymeyer "A" Well No. 2 located 1650 feet from the North line and 2310 feet from the West line (Unit F) of Section 15, Township 23 South, Range 28 East, NMPM, South Culebra Bluff-Bone Springs Pool, Eddy County, New Mexico. The S/2 NW/4 of said Section 15 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

By authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the South Culebra Bluff-Bone Springs Pool, as promulgated by Division Order No. R-6139, the above described unorthodox oil well location is hereby approved.

Sincerely,

WILLIAM J. LEMAY

Director

WJL/MES/jc

cc: Oil Conservation Division - Artesia