STATE OF NEW MEXICO.



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

March 10, 1993

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

Mitchell Energy Corporation Attention: Mark N. Stephenson P.O. Box 4000 The Woodlands, Texas 77387-4000

Administrative Order NSL-3225

Dear Mr. Stephenson:

Reference is made to your application dated February 8, 1993 for a non-standard gas well location to be drilled 1330 feet from the North line and 330 feet from the East line (Unit H) of Section 13, Township 22 South, Range 30 East, NMPM, to test the Undesignated Cabin Lake-Morrow Gas Pool, Eddy County, New Mexico. The E/2 of said Section 13 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool.

It is our understanding the proposed Apache "13" Federal Well No. 1 is within the Oil/Potash "R-111-P" Area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the U. S. Bureau of Land Management, being the authorizing agency for permitting oil and gas wells on Federal lands, recommended the subject location to minimize or alleviate any potential undue waste of potash.

By the authority granted me under the provisions of Division General Rule 104.F(1) the above-described unorthodox gas well location in is hereby approved.

Sincerely.

William J. LeMay

Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia

- US Bureau of Land Management - Carlsbad