



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

May 28, 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-3254

Dear Mr. Stephenson:

Reference is made to your application dated April 27, 1993 for a non-standard gas well location to be drilled 1200 feet from the South line and 330 feet from the East line (Unit P) of Section 24, Township 22 South, Range 30 East, NMPM, to test the Devonian and Morrow formations, Eddy County, New Mexico. The S/2 of said Section 24 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either zone.

It is our understanding the proposed Apache "24" 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,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad