

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 17, 1995

Santa Fe Energy Operating Partners, L. P.
c/o James Bruce
Hinkle, Cox, Eaton, Coffield & Hensley
P.O. Box 2068
Santa Fe, New Mexico 87504-2068

Administrative Order NSL-3466

Dear Mr. Bruce:

Reference is made to your application dated November 17, 1994 on behalf of the operator, Santa Fe Energy Operating Partners, L. P., for a non-standard gas well location for the Harroun "32" State Com. Well No. 1 to be drilled 660 feet from the North line and 1180 feet from the West line (Unit D) of Section 32, Township 23 South, Range 29 East, NMPM, to test the Undesignated Laguna Salado-Atoka Gas Pool, Eddy County, New Mexico.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Atoka formation than a well drilled at a location considered to be standard.

The N/2 of said Section 32 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the subject pool.

By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

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

VILLAGRA BUILDING - 408 Gallateo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

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Energy Conservation & Management
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