



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 7, 1996

Fina Oil and Chemical Company
6 Desta Drive - Suite 4400
P. O. Box 2990
Midland, Texas 79702
Attention: Phil Miller

Administrative Order NSL-3713

Dear Mr. Miller:

Reference is made to your application dated September 11, 1996, for a non-standard gas well location to test the Morrow formation, for the plugged and abandoned Tenneco Hagerty Federal Well No. 1 (API No. 30-015-20295), located 656 feet from the South line and 649 feet from the West line (Lot 4/Unit M) of Section 7, Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico.

It is our understanding that the subject well was originally drilled by General American Oil Company of Texas to a total depth of 11,020 feet in April/May 1970 to test the Pennsylvanian/Mississippian intervals for oil production. After testing dry the subject well was plugged and abandoned.

Pursuant to Division General Rules 104.B(1)(a), this location is unorthodox. Further, should this well be completed as a gas well Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of said Section 7 is to be dedicated to the well to form a 302.24-acre gas spacing and proration unit.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad