



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 7, 1999

Reliance Operating Company
P. O. Box 10946
Midland, Texas 79702
Attention: Carol Robbins

Telefax No. (915) 682-1250

Administrative Order NSL-3838-A

Dear Ms. Robbins:

Reference is made to the following: (i) your application dated May 13, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Reliance Operating Company's ("Reliance") request for a non-standard Atoka gas well location for the existing Federal "D" Well No. 3 (API No. 30-025-34066), which was drilled in 1997 to total depth of 12,018 feet at an unorthodox oil well location within West Crossroads-Devonian Pool (approved by Division Administrative Order NSL-3838, dated July 18, 1997) 1120 feet from the South line and 1420 feet from the East line (Unit O) of Section 31, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.

It is our understanding that Reliance perforated this well 11,133 feet to 11,160 feet within the Atoka formation and the well was completed as a gas well. Pursuant to Division Rule 104.B(1)(a) this location is considered to be unorthodox. Further, the E/2 of Section 31 is to be dedicated to the well in order to form a standard 320-acre stand-up gas spacing and proration unit.

The application has been duly filed under the provisions of Division Rule 104.F.

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

The previously issued Division Administrative Order NSL-3838 shall be placed in abeyance until further notice

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Roswell
File: NSL-3838