

December 15, 1997

Stevens & Tull, Inc. c/o W. Thomas Kellahin P. O. Box 2265 Santa Fe, New Mexico 87504-2265

AMENDED Administrative Order NSL-3901 (NSP)

Dear Mr. Kellahin:

Reference is made to your application dated December 12, 1997 on behalf of the operator, Stevens & Tull, Inc., requesting that Division Administrative Order NSL-3901(NSP) be amended to reflect a location change for its proposed Sweet Thing State "36" Well No. 1.

Said Division Order NSL-3901(NSP), dated November 17, 1997, authorized Stevens & Tull, Inc. to drill its Sweet Thing State "36" Well No. 1 at an unorthodox gas well location to be applicable to any and all formations and/or pools developed on 320-acre spacing from the top of the Wolfcamp formation to the base of the Morrow formation, which presently includes but not necessarily limited to the Undesignated Little Box Canyon-Morrow Gas Pool 1000 feet from the South line and 300 feet from the East line (Unit P) of irregular Section 36, Township 20-1/2 South, Range 21 East, NMPM, Eddy County, New Mexico. All of said irregular Section 36 to be dedicated to said well to form a non-standard 265.80-acre gas spacing and proration unit.

It is our understanding that a move of 150 feet to the north will serve to avoid excessive surface disturbance and lower well location construction cost for Stevens & Tull, Inc.

By the authority granted me under the provisions of Division General Rule 104.F(2), said Division Administrative Order NSL-3257 is hereby amended to reflect a location change for the Sweet Thing State "36" Well No. 1 to be drilled an unorthodox gas well location that is 850 feet from the North line and 300 feet from the East line (Lot 1/Unit H) of said Section 36. All other provisions of said Order NSL-3901(NSP) shall remain in full force and effect until further notice.

Sincerely William J. LeMa Director WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia New Mexico State Land Office - Santa Fe U. S. Bureau of Land Management - Carlsbad File: NSL-3901(NSP)