



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 12, 1998

Santa Fe Energy Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-3942

Dear Mr. Bruce:

Reference is made to your application dated January 14, 1998 on behalf of the operator Santa Fe Energy Resources, Inc. for an unorthodox Morrow gas well location for its proposed Hackberry "24" Federal Well No. 1 to be drilled 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 24, Township 19 South, Range 30 East, NMPM, Undesignated Hackberry-Morrow Gas Pool, Eddy County, New Mexico. The E/2 of said Section 24 being a standard 320-acre gas spacing and proration unit for said pool is to be dedicated to said well.

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").

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,

A handwritten signature in cursive script that reads "Lori Wrotenberg".
Lori Wrotenberg
Director

LW/MES/kv

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