



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 2, 2009

Range Operating New Mexico, Inc.
Attn: Ms. Deanna M. Poindexter
100 Throckmorton Street, Suite 1200
Fort Worth, TX 76102

Administrative Order NSL-5996

Re: Elliot B Federal Well No. 21
API No. 30-025
230 feet FSL and 1030 feet FEL
Unit P, Section 6-22S-37E
Lea County, New Mexico

Dear Ms. Poindexter:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-32930244**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 24, 2008,

(b) supplemental information furnished with your letter dated January 16, 2009, and

(c) the Division's records pertinent to this request.

Range Operating New Mexico, Inc. (Range) has requested to drill the above-referenced well at an unorthodox oil well location, as described above in the caption of this letter. The SE/4 SE/4 of Section 6 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Wantz Abo Pool (62700), the Blinebry Oil & Gas Pool (6660), the Drinkard Pool (19190) and the Tubb Oil & Gas Pool (60240). The Wantz Abo Pool and the Drinkard Pool are governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. Spacing in the Blinebry Oil & Gas Pool is governed by the Special Rules and Regulation for the Blinebry Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986, which provide that standard oil units shall consist of 40 acres, with wells located at least 330 feet from any unit outer boundary or quarter-quarter section line. Spacing in the Tubb Oil & Gas Pool is governed by the Special Rules and Regulation for the Tubb Oil and



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Gas Pool, as provided in Order R-8170 issued on March 28, 1986, which provide that standard oil units shall consist of 40 acres, with wells located at least 330 feet from any unit outer boundary or quarter-quarter section line.

This location is less than 330 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location to avoid interfering with an existing water line.

It is also understood that notice of this application has been duly provided to all affected persons in all offsetting spacing units towards which this location will encroach.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad