



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 28, 1998

Collins & Ware, Inc.
508 West Wall Avenue - Suite 1200
Midland, Texas 79701-5076
Attention: Dianne Sumrall

Administrative Order SD-98-4

Dear Ms. Sumrall:

Reference is made to your letter dated June 4, 1998. Collins & Ware, Inc. is hereby authorized to simultaneously dedicate oil production from both the Hobbs-Drinkard and Hobbs-Lower Blinbry Pools to a standard 80-acre oil spacing and proration unit for both pools that comprises the N/2 NE/4 of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, from its:

(a) State "A" Well No. 4 (API No. 30-025-23076)
located at a standard oil well location 660 feet from the North line
and 2130 feet from the East line (Unit B) of Section 32; and,

(b) State "A" Well No.5 (API No. 30-025-23116)
located at a standard oil well location 660 feet from the North and
East lines (Unit A) of Section 32.

Further, Collins & Ware, Inc. is permitted to produce the allowable assigned both of the subject 80-acre units from both its respective wells in any proportion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish that includes the letters "MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe