



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Governor

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Director

Oil Conservation Division

December 2, 2002

Four Star Oil & Gas Company

11111 S. Wilcrest

Houston, Texas 77099

Attention: J. Tom Schmid, Jr.

jats@chevrontexaco.com

Administrative Order NSL-4814

Dear Mr. Schmid:

Reference is made to your application (**administrative application reference No. pKRV0-230453465**) received by the New Mexico Oil Conservation Division ("Division") on October 28, 2002 and the Division's records in Santa Fe and Aztec; all concerning Four Star Oil & Gas Company's (Four Star) request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987, as revised, for a non-standard infill gas well location within an existing standard 320-acre gas spacing and proration unit for the Blanco-Mesaverde Prorated Gas Pool (**72319**), for its John Charles Well No. 6C (**API No. 30-045-30604**) drilled 1970 feet from the North line and 2450 feet from the East line, Unit G of Section 13, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 13, which is currently simultaneously dedicated to Four Star's: (i) John Charles Well No. 6 (**API No. 30-045-06545**), located at a standard gas well location 895 feet from the North line and 1030 feet from the East line, Unit A of Section 13; and (ii) John Charles Well No. 6A (**API No. 30-045-22660**), located at a standard gas well location 1850 feet from the South line and 840 feet from the East line, Unit I of Section 13.

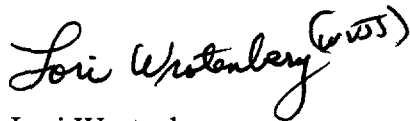
This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised; (ii) Division Rule 605.B; and (iii) the applicable provisions of the special rules governing the Blanco-Mesaverde Pool.

This well is located 190 feet from the West edge of this standup 320-acre E/2 spacing and proration unit. Division Order R-10987-A requires wells to be located at least 660 feet from the North, South, East, or West lines of the GPU and this order is still in effect for Indian leases. It is the Division's understanding that all of Section 13 is a single Indian lease in which Four Star is the leasehold operator; therefore, there are no other affected offsets to the subject unorthodox location. It is also our understanding that this unorthodox location was necessary due to surface topography issues.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and the applicable provisions governing the Blanco-Mesaverde Pool; the above-described unorthodox infill Blanco-Mesaverde gas well location for Four Star's John Charles Well No. 6C drilled in Unit G of Section 13 is hereby **approved**.

Further, the aforementioned wells and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in northwest New Mexico.

Sincerely,



Lori Wrotenberg
Director

LW/wvjj

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington