



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 28, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Southwestern Energy Production Company

2350 N. Sam Houston Parkway East

Suite 300

Houston, Texas 77032

Attention: Samuel Glenn Thompson

Sam_Thompson@swn.com

Telefax No. (281) 618-4757

Administrative Order NSL-4666

Dear Mr. Thompson:

Reference is made to the following: (i) your application telefaxed to the New Mexico Oil Conservation Division ("Division") on November 27, 2001 (*application reference No. pMES0-133157208*); (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer on Tuesday, November 27, 2001; and (iii) the records of the Division: all concerning your request for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for the proposed Electrolux "21" State Com. Well No. 1 to be drilled 1200 feet from the North line and 2500 feet from the West line (Unit C) of Section 21, Township 17 South, Range 35 East. NMPM, Undesignated North Vacuum-Atoka Morrow Gas Pool (**86800**), Lea County, New Mexico.

The N/2 of Section 21 is to be dedicated to this well thereby forming a standard 320-acre lay-down gas spacing and proration unit within this pool.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

The geologic interpretation submitted with this application, based on 3-D seismic, indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Atoka formation than a well drilled at a location considered to be standard for the Undesignated North Vacuum-Atoka Morrow Gas Pool within the N/2 of Section 21.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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