



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 8, 1997

Robert L. Bayless
P. O. Box 168
Farmington, New Mexico 87499
Attention: Kevin H. McCord

Administrative Order NSP-1776

Dear Mr. McCord:

Reference is made to your application dated July 17, 1997 for a non-standard 160-acre gas spacing and proration unit ("GPU") consisting of the following acreage in the Blanco-Mesaverde Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 8: SE/4.

It is our understanding the Blanco-Mesaverde Pool in said Section 8 is currently being developed in the following manner:

- (i) the N/2, being a standard 320-acre GPU is operated by Burlington Resources Oil & Gas Company and is dedicated to its Fee Well Nos. 8 (API No. 30-045-24694) and 8-A (API No. 30-045-24693) in Units "H" and "C", respectively; and,
- (ii) the 160-acre non-standard GPU comprising the SW/4, approved by Division Order No. R-6601, dated March 13, 1981, is dedicated to Burlington Resources Oil & Gas Company's Aztec Well No. 8 (API No. 30-045-24695) located at a standard gas well location 1000 feet from the South line and 890 feet from the West line (Unit M) of said Section 8.

Robert L. Bayless now seeks to develop the remaining 160 acres with its existing Helen Hartman Well No. 1 (API No. 30-045-09630), located at a standard gas well location 1190 feet from the South and East lines (Unit P) of said Section 8.

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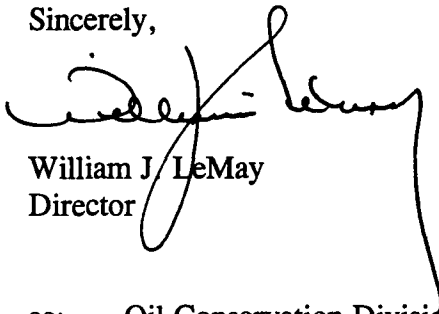
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By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170-H, as amended, the above-described 160-acre GPU is hereby approved with an allowable to be assigned thereto in accordance with said pool rules based upon its respective unit size. Further, said well and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the printed name and title.

William J. LeMay
Director

cc: Oil Conservation Division - Aztec