



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

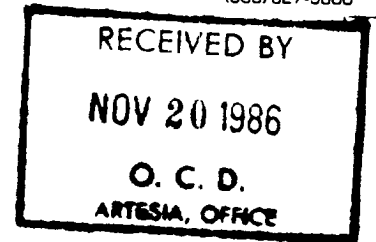
November 19, 1986

TONY ANAYA  
GOVERNOR

Tomsco Energy  
P.O. Box 664  
Artesia, New Mexico 88210

Attention: Thomas K. Scroggin

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800



✓  
Re: Administrative Order NFL-145

Dear Mr. Scroggin:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission Regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Lara Michelle Well No. 2 located 1980 feet from the South line and 2270 feet from the West line (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.