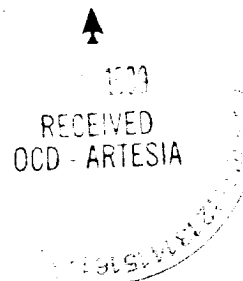




**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

July 28, 1999



Fasken Oil and Ranch, Ltd.
303 West Wall Avenue – Suite 1800
Midland, Texas 79701-5116
Attention: Tommy E. Taylor

Administrative Order NSL-4336

Dear Mr. Taylor:

Reference is made to the following: (i) your application dated July 2, 1999; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, on Thursday, July 22, 1999; and (iii) the Division's records: all concerning Fasken Oil and Ranch, Ltd.'s request for an unorthodox Delaware gas well location for the proposed El Paso Federal Well No. 12 (API No. 30-015-30634) to be drilled 4379 feet from the North line and 1780 feet from the East line (Lot 31/Unit O) of irregular Section 1, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Lots 25, 26, 31, and 32 are to be dedicated to this well in order to form a standard 161.23-acre gas spacing and proration unit for the Undesignated Foster Draw-Delaware Gas Pool.

The application has been duly filed under the provisions of Division Rule 104.F.

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

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad