

February 5, 2003

Fasken Oil and Ranch, Ltd.
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

Administrative Order NSL-4839

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Fasken Oil and Ranch, Ltd. ("Fasken") dated January 15, 2003 (*application reference No. pKRV0-301730119*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Fasken's request for an unorthodox Atoka gas well location for its existing Indian Hills Unit Well No. 16 (**API No. 30-015-30703**), located 2200 feet from the North line and 660 feet from the West line (Unit E) of Section 17, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

Lots 3, 4, 5, and 6 and the NW/4 (W/2 equivalent) of Section 17 is to be dedicated to this well in order to form a standard 326.14-acre stand-up gas spacing unit for the Undesignated Staple Canyon Rim-Atoka Gas Pool (**97136**).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is the Division's understanding that Fasken drilled this well in mid-2000 to a total depth of 9,875 feet and completed it in the Indian Basin-Morrow Gas Pool at a standard infill gas well location within a standard 663.86-acre gas spacing unit comprising all of Section 17.

It is further understood that Fasken now intends to recomplete this well up-hole into the Atoka formation and, pursuant to Rule 104.C (2) (a), as revised, this location is considered to be unorthodox for the proposed 326.14-acre unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Atoka gas well location for the above-described Indian Hills Unit Well No. 16 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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