



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

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

January 18, 2000

Kerr-McGee Oil & Gas Onshore, L.L.C.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504



Telefax No. (505) 982-2151

Administrative Order NSL-4379-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator Kerr-McGee Oil & Gas Onshore, L.L.C. ("Kerr-McGee") dated January 14, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order NSL-4379, dated November 16, 1999: all concerning Kerr-McGee's request to drill a replacement well at an unorthodox gas well location within an existing standard 640-acre gas spacing and proration unit comprising all of Section 17, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico in the Indian Basin-Upper Pennsylvanian Gas Pool.

The Division Director Finds That:

(1) The Indian Basin-Upper Pennsylvanian Gas Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 3:	W/2
Section 4:	All
Sections 8 and 9:	All
Section 10:	W/2
Section 15:	W/2
Sections 16 through 30:	All
Sections 32 through 35:	All
Section 36:	W/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 19:	All
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TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 1:	W/2
Sections 2 through 5:	All