



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

August 2, 2002

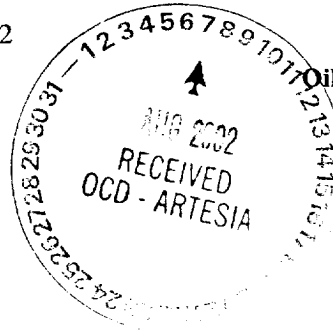
Lori Wrotenberg

Director

Oil Conservation Division

Gruy Petroleum Management, Company  
P. O. Box 140907  
Irving, Texas 75039

Attention: Zeno Farris



**Re:** Administrative application dated July 9, 2002 (application reference No. **pKRV0-219635630**) for an exception to Rule 4 of the "Special Rules and Regulations for the White City-Pennsylvanian Gas Pool", as promulgated by New Mexico Oil Conservation Division Order No. R-2429-A, as amended, for the Eddy "21" Federal Com. Well No. 2 (API No. 30-015-32386) to be drilled at an unorthodox infill gas well location 890 feet from the North line and 990 feet from the East line (Unit A) of Section 21, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico, within an existing standard 640-acre gas spacing and proration unit comprising all of Section 21.

Dear Mr. Farris:

The rules and procedures governing well locations and the granting of exceptions to those rules in the White City-Pennsylvanian Gas Pool are covered by:

- (i) Rule 5 of the special pool rules, which provides the Division authority to grant well location exceptions based on topographic conditions; and
- (ii) Division Rule 104.F (2), which allows the Division to consider geologic and/or engineering reasons.

In either case the Division requires well location exception requests be considered for good cause shown and with reasonable supporting documentation and evidence. Your application provided nothing to base such a request or any information to support why such the requested unorthodox location is needed in this matter.

Therefore, your application for administrative approval for the above-described unorthodox infill gas well location is hereby **denied**.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
Kathy Valdes, NMOCD - Santa Fe  
Mr. Jim Bruce, Legal Counsel for Gruy Petroleum Management, Company - Santa Fe