



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

April 5, 2000



E.G.L. Resources, Inc.  
Attention: W. Wesley Perry  
214 West Texas Avenue - Suite 900  
Midland, Texas 79701

Re: *Administrative application dated March 24, 2000 for E.G.L. Resources, Inc.'s proposed Oxy Yates "14" Federal Well No. 11 (API No. 30-015-30802) to be drilled at an unorthodox gas well location for the Undesignated Russell-Lower Yates Gas Pool 2570 feet from the North line and 2425 feet from the West line (Unit F) of Section 14, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Perry:

In reviewing your application I find it necessary for you to provide me with the following: (i) verification that all of Section 14 is one federal lease with common ownership as to the Yates interval; (ii) the applicable federal lease number (s); (iii) the identification of all oil and gas wells that E.G.L. Resources, Inc. or any other operator has drilled or indents to drill to the Yates formation in Section 11 (map, well name and number, footage location, API number, status, etc.); and (iv) a reference to all Division orders approving any non-standard locations on any of these wells or an explanation as to why such authorization has not been sought for any well that does not meet the required setback requirements.

Thank you for your assistance and cooperation in this matter.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

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