



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

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(800) 827-7131

September 15, 1997

RECEIVED
SEP 18 1997

OIL CON. DIV.
DIST. 3

Lomak Petroleum, Inc.
P. O. Box 54320
Oklahoma City, Oklahoma 73154-4320
Attn: Carolyn S. Bechtold

Administrative Order NSL-3868(SD)

Dear Ms. Bechtold:

Reference is made to the following: (i) your original application to Mr. Ernie Busch, Geologist of the Division District Office in Aztec, New Mexico, dated July 30, 1997; (ii) your letter to the Division's Santa Fe office dated August 12, 1997; and, (iii) to the records of the Division in Santa Fe: all of which concern Lomak Petroleum, Inc.'s request for two non-standard oil well locations in the Devils Fork-Gallup Associated Pool within a single standard 160-acre oil spacing and proration unit for said pool comprising the SW/4 of Section 24, Township 24 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

By authority granted me under the provisions of Rule 2(c) of the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Devils Fork-Gallup Associated Pool," as promulgated by Division Order No. R-5353, as amended, the following described wells to be drilled at unorthodox oil well locations in the Devils Fork-Gallup Associated Pool are hereby approved:

Rincon Largo Federal "24" Well No. 1
(API No. 30-039-25716)
2290' FSL - 475' FWL (Unit L)

&

Rincon Largo Federal "24" Well No. 2
(API No. 30-039-25715)
1920' FSL - 2250' FWL (Unit K)

K-24-24-7

Also, you are hereby authorized to simultaneously dedicate Devils Fork-Gallup Associated Pool oil production from both the Rincon Largo Federal "24" Well Nos. 1 and 2. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre gas spacing and proration unit from both wells in any proportion.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

July 30, 1997


LOMAK
PETROLEUM, INC.

Mr. Ernie Busch
State of New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Re: Rincon Largo Federal #1-24
Rincon Largo Federal #2-24
Section 24-24N-7W
Rio Arriba County, Oklahoma

RECEIVED
AUG - 4 1997

OIL CON. DIV.
DIST. 3

Dear Ernie:

The BLM has approved Lomak Production Company's applications to drill the referenced wells. Earl Beecher indicated he would forward a copy to you. If I need to furnish a copy to you or to the Division Director in Santa Fe, please advise.

As you know, Lomak requests OCD approval allowing two (2) wells to be drilled on a 160 acre proration unit, both unorthodox locations due to topographical and archaeological conditions. Plats are attached for 1) the subject spacing unit and the diagonal/adjoining spacing units and 2) topography.

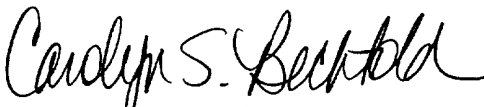
Copies of waivers are attached from Dugan Production Company (both locations) and Universal Resources Corporation (1-24 well). URC has not returned the waiver for both wells, although I don't anticipate any problems.

If you have questions, please do not hesitate to call me.

Thank you for all your help.

Sincerely,

LOMAK PRODUCTION COMPANY



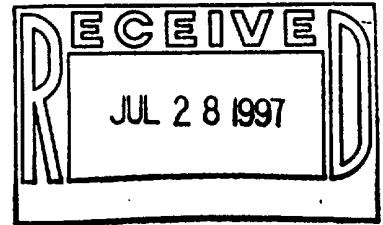
Carolyn S. Bechtold
Land Administrator

cc: Oil Conservation Division Director
2040 S. Pacheco
Santa Fe, NM 87505

File SF 078562

LOMAK
PETROLEUM, INC.

July 18, 1997



Land Department
Dugan Production Company
P. O. Box 420
Farmington, NM 87499

Re: Section 24-24N-7W
Rio Arriba County, New Mexico

Gentlemen:

Lomak Production Company plans to drill two (2) 5,650' Devil's Fork Associated tests: a) Rincon Largo Federal 1-24 - 2290' FSL and 475' FWL and b) Rincon Largo Federal 2-24 - 1920' FSL and 2250' FWL, both in Section 24-24N-7W, Rio Arriba County, New Mexico. Lomak's locations cannot be moved to a standard location due to topography.

According to the Bureau of Land Management, Dugan is the operator of a well in Section 26-24N-7W which has been plugged and abandoned. Dugan executed our letter dated May 19, 1977 agreeing not to protest the 1-24 location. Lomak respectfully requests Dugan to agree not to protest both Lomak's locations by executing in the space provided below and returning one (1) copy of this letter to the undersigned.

Thank you for your cooperation in this matter. Should you have any questions, please feel free to contact the undersigned.

Sincerely,

LOMAK PRODUCTION COMPANY

A handwritten signature in cursive script, reading "Carolyn S. Bechtold".

Carolyn S. Bechtold
Land Administrator

Dugan Production Company hereby agrees not to protest Lomak Production Company's location as hereinabove described.

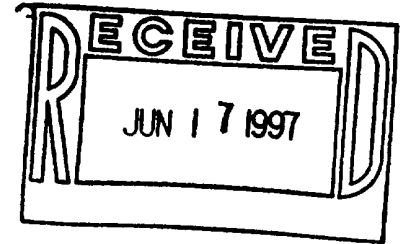
By: A handwritten signature in cursive script, reading "David M. Payne".

Title: LAND MANAGER

Date: 7-22-97

LOMAK
PETROLEUM, INC.

May 29, 1997



Mr. Al Stennett
Universal Resources Corporation
1331 - 17th Street, Suite 800
Denver, CO 80202

Re: Section 24-24N-7W
Rio Arriba County, New Mexico

Dear Al:

Lomak Production Company plans to drill a 5,650' Devil's Fork Association test at a location 2290' FSL and 475' FWL of Section 24-24N-7W, Rio Arriba County, New Mexico. Lomak's location cannot be moved to a standard location due to topography.

According to the Bureau of Land Management, Universal is the operator of three (3) wells in Section 23-24N-7W and two (2) wells in Section 26-24N-7W, offsetting our proposed location. Petroleum Information indicates these wells are inactive.

Lomak respectfully requests Universal to agree not to protest Lomak's location by executing in the space provided below and returning one (1) copy of this letter to the undersigned.

Thank you for your cooperation in this matter. Should you have any questions, please feel free to contact the undersigned.

Sincerely,

LOMAK PRODUCTION COMPANY

Carolyn S. Bechtold
Land Administrator

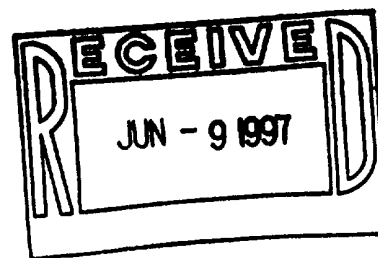
Universal Resources Corporation hereby agrees not to protest Lomak Production Company's location as hereinabove described.

By:

Title: General Manager

Date: 6-12-97

LOMAK
PETROLEUM, INC.



May 29, 1997

Land Department
Dugan Production Company
P. O. Box 420
Farmington, NM 87499

Re: Section 24-24N-7W
Rio Arriba County, New Mexico

Gentlemen:

Lomak Production Company plans to drill a 5,650' Devil's Fork Association test at a location of 2290' FSL and 475' FWL of Section 24-24N-7W, Rio Arriba County, New Mexico. Lomak's location cannot be moved to a standard location due to topography.

According to the Bureau of Land Management, Dugan is the operator of a well in Section 26-24N-7W which has been plugged and abandoned.

Lomak respectfully requests Dugan to agree not to protest Lomak's location by executing in the space provided below and returning one (1) copy of this letter to the undersigned.

Thank you for your cooperation in this matter. Should you have any questions, please feel free to contact the undersigned.

Sincerely,

LOMAK PRODUCTION COMPANY

Carolyn S. Bechtold

Carolyn S. Bechtold
Land Administrator

Dugan Production Company hereby agrees not to protest Lomak Production Company's location as hereinabove described.

By: *John Alexander*

Title: *VP*

Date: *6/2/97*

