



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 10, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Redwolf Production, Inc.
Attention: Dana L. Deventhal
P.O. Box 5382
Farmington, NM 87499

Administrative Order NSP-1654

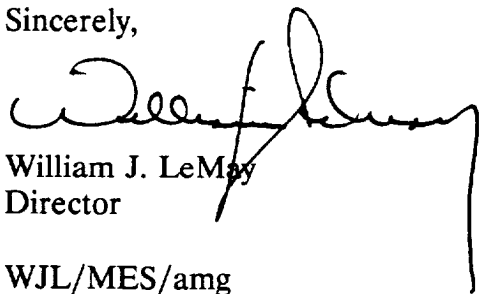
Dear Ms. Deventhal:

Reference is made to your application dated November 2, 1992 for an exception to Rule 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, as promulgated by Division Order No. R-1069-B, which spaces said pool on 80-acre units but limits their designation to within the N/2 or S/2 of a governmental quarter-section, for the creation of an 80.53-acre non-standard oil proration unit comprising Lots 1 and 2 (W/2 NW/4 equivalent) of Section 31, Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico. Said unit to be dedicated to your E. L. (Federal) Well No. 1 to be drilled at a standard oil well location in Unit D of said Section 31.

It is our understanding that this request is necessary to off-set an existing 80-acre oil proration unit comprising the E/2 NW/4 of said Section 31 which was authorized by Division Order No. R-8354, as amended.

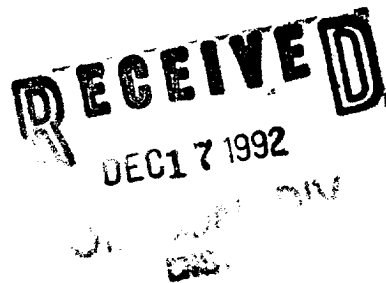
By authority granted me under the provisions of Division General Rule 104.D. and Division Memorandum 4-86, the above non-standard oil proration unit is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/amg



cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: Case No. 9040