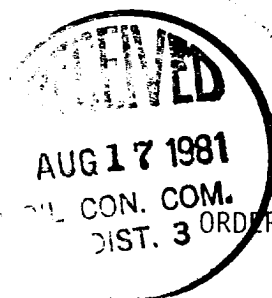


THE APPLICATION OF SOUTHLAND ROYALTY COMPANY
FOR A DUAL COMPLETION



ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A Southland Royalty Company made application to the New Mexico Oil Conservation Division on May 26, 1981, for permission to dually complete its Hanks Well No. 14-E located in Unit 0 of Section 12, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fulcher Kutz - Pictured Cliffs Pool and the Basin-Dakota Pool.

NOW, on this 21st day of July, 1981, the Division Director finds:

1. That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
2. That satisfactory information has been provided that all operators of offset acreage have been duly notified;
3. That no objections have been received within the waiting period as prescribed by said rule;
4. That the proposed dual completion will not cause waste nor impair correlative rights; and
5. That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Southland Royalty Company, be and the same is hereby authorized to dually complete its Hanks Well No. 14-E located in Unit 0 of Section 12, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fulcher Kutz - Pictured Cliffs Pool and the Baskin-Dakota Pool, through parallel strings of tubing.

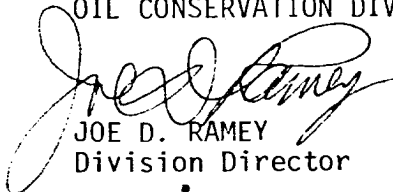
PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-Leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Division Director

SEAL