



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 14, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Lone Wolf Operating Company/Lone Wolf New Mexico, LLC
1125 17th Street – Suite 2290
Denver, Colorado 80202

Attention: Doug Hoisington

Administrative Order NSL-5222

Dear Mr. Hoisington:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 13, 2005 (***administrative application reference No. pMES0-516545906***); and (ii) the Division's records in Aztec and Santa Fe: all concerning Lone Wolf Operating Company/Lone Wolf New Mexico, LLC's request for an exception to Division Rule 104.B (1) for its proposed Celso Gomez Well No. 1 (**API No. 30-039-29538**) to be drilled at an unorthodox oil well location 600 feet from the South line and 2600 feet from the West line (Unit N) of Section 19, Township 32 North, Range 2 East, NMPM, as projected into the unsurveyed Tierra Amarilla Land Grant, Rio Arriba County, New Mexico. The SE/4 SW/4 of Section 19 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for an and all applicable pools or formations.

Your application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox oil well location is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec