



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

October 20, 2005

Mark Fesmire

Director

Oil Conservation Division

Gruy Petroleum Management Company

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87504

Administrative Order NSL-5288

Dear Mr. Bruce:

Reference is made to the following: (i) your application filed on behalf of the operator, Gruy Petroleum Management Company of Irving, Texas ("Gruy"), and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on September 28, 2005 (*pSEM0-527231336*); and (ii) the Division's records in Santa Fe: all concerning Gruy's request for an unorthodox Morrow gas well location for its proposed Pipeline Deep "6" Federal Well No. 1 to be drilled 2300 feet from the South line and 1750 feet from the East line (Unit J) of Section 6, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

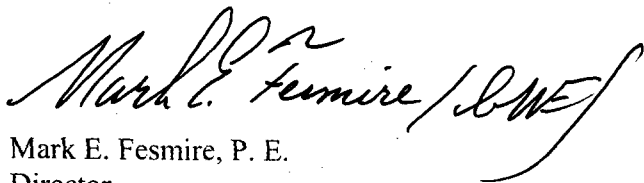
Lots 6 and 7, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 6 is to be dedicated to this well in order to form a standard 316.00-acre gas spacing unit within the North Quail Ridge-Morrow Gas Pool (**83320**).

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for Gruy's proposed Pipeline Deep "6" Federal Well No. 1 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 – Hobbs
U. S. Bureau of Land Management – Carlsbad