



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 21, 1992

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

Fasken Oil and Ranch Interests
303 West Wall Avenue
Suite 1900
Midland, TX 79701-5116

Attention: Jimmy Davis, Jr.

Administrative Order NSL-400-A

Dear Mr. Davis:

Reference is made to your application dated October 9, 1992 for a non-standard Upper Pennsylvanian gas well location for your existing Skelly Federal Com Well No. 1 which was drilled in 1967 and completed in the Indian Basin-Morrow Gas Pool at a previously approved unorthodox gas well location (Division Administrative Order NSL-400, dated July 5, 1967) 840 feet from the South line and 935 feet from the West line (Unit M) of Section 9, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

It is my understanding that the Morrow zone was recently plugged back and recompleted in the Upper Pennsylvanian zones, which pursuant to either General Rule 104.C(2) or to Rule 2(B) of the Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Gas Pool, is considered unorthodox.

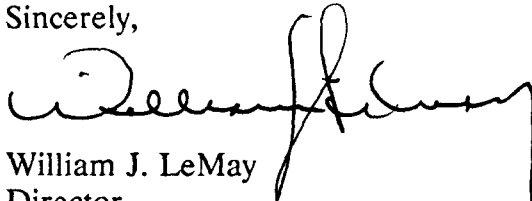
Further, depending on the placement of this well's newly recompleted production into either the existing Indian Basin-Upper Pennsylvanian Gas Pool or to a new gas pool, all of said Section 9 forming a standard 640-acre gas spacing and proration unit in said Indian Basin-Upper Pennsylvanian Gas Pool or in the S/2 of said Section 9 forming a standard 320-acre gas spacing and proration unit shall be dedicated to said well.

By the authority granted me under provisions of Rule 2(C) of Division Order No. R-8170, as amended and/or General Rule 104.F.(1), the above-described recompletion to an unorthodox Upper Pennsylvanian gas well location is hereby approved.

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The original Division Administrative Order NSL-400 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad
File: NSL-400