

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

February 22, 2007

Deanna M. Poindexter Range Operating New Mexico, Inc. 777 Main Street, Suite 800 Santa Fe, NM 76102

RE: H.S. Turner Well No. 10 (API No 30-025-NA) 1110 feet from the South Line, 2130 feet from the West line, Unit N Section 29, Township 21 South, Range 37 East, NMPM, Lea County SE/4 SW/4 (40 Acres) Section 29 Dedication

Administrative Order NSL-5570

Dear Ms. Poindexter:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS0636131402 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 26, 2006, on behalf of Range Operating New Mexico, Inc., OGRD 227588 ("Range"); and

(b) the Division's records pertinent to Range's request.

Range proposes to drill the above referenced well at the above referenced unorthodox oil well location within Section 29 and requests to produce oil from both the Blinebry and the Tubb formations, Blinebry Oil & Gas (Oil 06660) and Tubb Oil & Gas (Oil 60240) Pools within a 40-acre, more or less, spacing and proration unit consisting of the SE/4 SW/4 of Section 29. The proposed well would be the first well in either pool within this 40-acre proration unit.

Oil well locations within the Tubb Oil & Gas Oil Pool and the Blinebry Oil & Gas Oil Pool are governed under Special Pool Rules in effect for prorated pools in New Mexico - Order R-8170. Said order requires wells defined as "oil wells" within each of these pools to be located no closer than 330 feet from the boundary of a 40 acre spacing and proration unit. This well location is un-orthodox because it is to be located 210 feet from the northern boundary of the SE/4 SW/4 of Section 29 spacing and proration unit.

Your application states this well location is preferable to Range because of topographic reasons. The affected spacing and proration unit to the north is also operated by Range.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico.87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.emnrd.state.nm.us</u> Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Range has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard Blinebry and Tubb oil well location within the Blinebry Oil & Gas Oil Pool and the Tubb Oil & Gas Pool is hereby approved.

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

Sincerely,

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Mark E. Fesmire, P.E. Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs