



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

GARREY CARRUTHERS
GOVERNOR

November 7, 1990

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

Graham Royalty, Ltd.
5429 LBJ Freeway
Suite 500
Dallas, TX 75240

Attention: Jason C. Sizemore

Administrative Order NSL-2929

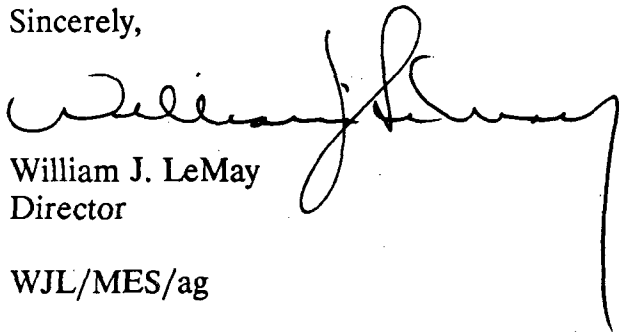
Dear Mr. Sizemore:

Reference is made to your application dated October 11, 1990 for a non-standard Southeast Lea Wolfcamp gas well location for your existing S.E. Lea Unit Well No. 3 which was drilled in 1982 and completed in the West Osudo Morrow Gas Pool at a standard gas well location 1650 feet from the North line and 2200 feet from the East line (Unit E) of Section 26, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. **G**

It is my understanding that the Morrow zone will be properly plugged back and said well will be recompleted to the Undesignated Southeast Lea Wolfcamp Pool, which pursuant to General Rule 104.C.II., is unorthodox. Further, the NE/4 of said Section 35 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of General Rule 104F.I. the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe