

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR



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

February 7, 1992

BTA Oil Producers  
104 South Pecos  
Midland, Texas 79701

Attention: Dorothy Houghton

*Administrative Order NSL-3095*

Dear Ms. Houghton:

Reference is made to your application dated January 8, 1991 for a non-standard gas well location for your Indian 9201 JV-P Well No. 1 to be located 1650 feet from the North and East lines (Unit G) of Section 20, Township 22 South, Range 23 East, NMPM, to test the Morrow formation, Eddy County, New Mexico. The N/2 of said Section 20 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

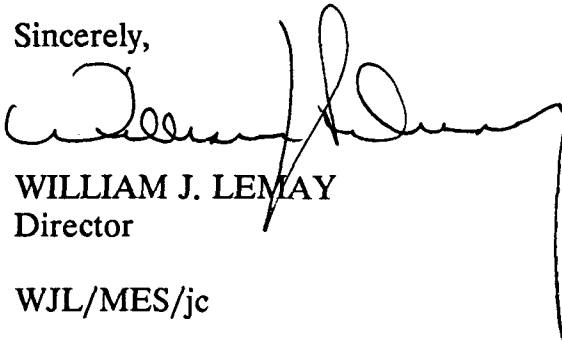
It is our understanding that the primary objective for this well is the Undesignated Indian Basin Upper Pennsylvanian Gas Pool which is on 640-acre spacing. The deeper Morrow horizon is a secondary objective and is classified as a wildcat test. Further, the proposed location is considered standard for the Upper Pennsylvanian zone (pursuant to the Special Pool Rules promulgated by Division Order No. R-8170, as amended) however, geologic interpretation places this well at a more favorable position within the Upper - Pennsylvanian interval than a location 1980 feet from the East line of said Section 20, which would be a standard location for the Morrow zone.

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No offset operator objected to this application within the prescribed 20-day waiting period.

By authority granted me under the provisions of General Rules 104F.(1) and (2), the above described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', with a long horizontal stroke extending to the right and a vertical line dropping down from the end.

WILLIAM J. LEMAY  
Director

WJL/MES/jc

cc: Oil Conservation Division - Artesia  
U.S. BLM - Carlsbad