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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

June 6, 1996

Exxon Corporation P. O. Box 1600 Midland, Texas 79702-1600 Attention: Alex M. Correa

Administrative Order NSL-3672

Dear Mr. Correa:

Reference is made to your application dated April 30, 1996 for a non-standard Tubb gas well location for your existing New Mexico "S" State Well No. 40 (API No. 30-025-25514), which was originally drilled in 1977 and dually completed in both the Wantz-Abo and Wantz-Granite Wash Pools at a standard oil well location for both zones 560 feet from the South and West lines (Unit M) of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that the Granite Wash interval was abandoned in November, 1987 and the Abo interval is to be properly plugged back. Said well will then be recompleted as a gas well in the Tubb Oil and Gas Pool, which pursuant to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool", as promulgated by Division Order No. R-8170, as amended, is also unorthodox. Further, the SW/4 of said Section 2 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for the Tubb Oil and Gas Pool.

By authority granted me under the provisions of Rule 2(d) of said special rules and regulations, the aforementioned New Mexico "S" State Well No. 40 located at an unorthodox Tubb gas well location is hereby approved.

Sincerety

William J. LeMay

Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe