



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

GP II Energy, Inc.

P. O. Box 50682

Midland, Texas 79710

January 30, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Attention: Joe L. Compton

Administrative Order NSP-1869

Dear Mr. Compton:

Reference is made to the following: (i) your application dated December 18, 2003 (*administrative application reference No. pLR0-336532092*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on December 30, 2003; and (ii) the Division's records in Santa Fe: all concerning GP II Energy, Inc.'s request for a non-standard 24.54-acre oil spacing and proration unit consisting of the following acreage in the Undesignated Brushy Draw-Delaware Pool (8080):

EDDY COUNTY, NEW MEXICO
TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Irregular Section 34: Lot 10.

This application has been duly filed under the provisions of Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding this unit is to be dedicated to GP II Energy Inc.'s proposed Littlefield "BO" Federal Well No. 6 to be drilled at a standard oil well location 423 feet from the South line and 2150 feet from the West line of irregular Section 34.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), as revised, the above-described 24.54-acre non-standard Delaware oil spacing and proration unit is hereby approved. Further, in accordance with Division Rule 104.G (1), as revised, GP II Energy, Inc. is permitted to produce the allowable assigned this 24.54-acre unit (0.614 acreage factor) from this well.

Sincerely,

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad