



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

March 18, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701

Attention: Alan W. Bohling
Regulatory Agent
abohling@pureresources.com

Administrative Order NSL-5016

Dear Mr. Bohling:

Reference is made to the following: (i) your application dated February 25, 2004 (*administrative application reference No. pMES0-407850111*); (ii) your e-mail on Wednesday morning, March 17, 2004 to check on the status of this application; and (iii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe and Artesia: all concerning Pure Resources, L.P.'s ("Pure") request for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for its proposed West Indian "11" Federal Well No. 1 to be drilled at an unorthodox deep Morrow gas well location 2134 feet from the South line and 990 feet from the East line (Unit I) of Section 11, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.

The S/2 of Section 11 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit for the Undesignated West Indian Basin-Morrow Gas Pool (79020).

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox deep gas well location within the Undesignated West Indian Basin-Morrow Gas Pool is hereby approved.

Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

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