

## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

March 18, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Attention:

Alan W. Bohling Regulatory Agent

abohling@pureresources.com

Administrative Order NSL-5015

Dear Mr. Bohling:

Reference is made to the following: (i) your application dated February 25, 2004 (administrative application reference No. pMES0-407848554); (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 unorthodox Morrow gas well location for the existing Stinking Draw Federal Well No. 1 (API No. 30-015-23130), located 1998 feet from the North line and 604 feet from the West line (Unit E) of Section 13, Township 21 South, Range 22 East, NMPM, Eddy County, New Mexico.

The N/2 of Section 13 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, 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 the Division's understanding that Durham, Inc. of Midland, Texas originally permitted and drilled this well in January, 1980 at a standard Morrow gas well location 1980 feet from the North line and 660 feet from the West line of Section 13 within a standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 13. This well was subsequently dry and abandoned in March, 1980. Pure, intending to re-enter this well and reattempt a Morrow gas completion, discovered its actual location to be 1998 feet from the North line and 604 feet from the West line of Section 13, and, pursuant to Rule 104.C (2) (a), as revised, this location is unorthodox.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for the above-described Stinking Draw Federal Well No. 1 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