

COMMISSIONER'S OFFICE

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

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MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

October 25, 2001

Fasken Oil and Ranch, Ltd.
303 West Wall Avenue, Suite 1800
Midland, Texas 79701-5116

Attn: Jimmy D. Carlile

Re: Non-Standard Location Proposal
Cameron 31 Federal Well No. 2
2449' FNL & 408' FEL
Unit H, Section 31, Township 20 South, Range 25 East
Eddy County, New Mexico

Dear Mr. Carlile:

We are in receipt of your application and request for a waiver of objection from the Commissioner of Public Lands for the non-standard well location referenced above.

Your proposed location is not in the best interest of the State Land Office since drainage of State of New Mexico Oil and Gas reserves, underlying lease L-5448-1 located in part in the NW4 of Section 32, Township 20 South, Range 25 East, may occur. Therefore, please be informed that we will not recommend that the Commissioner waive objection to your request.

If you care to discuss this further, please contact Jeff Albers at (505) 827-5759.

Sincerely,

JAMI BAILEY, Director
Oil, Gas & Minerals Division
(505) 827-5744

JB/ja

Xc: New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87504
Attn: Mr. Michael Stogner