



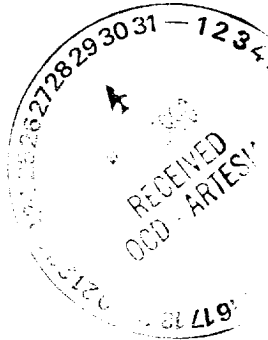
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 24, 1999

Ocean Energy, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151



Administrative Order NSL-4243

Dear Mr. Bruce:

Reference is made to the following: (i) your letter on behalf of the operator, Ocean Energy, Inc. ("Ocean"), dated March 17, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Ocean's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the West Parkway-Strawn Gas Pool and West Parkway-Atoka Gas Pool*," as promulgated by Division Order No. R-4638, as amended, for its existing Parkway West Unit "28" Well No. 4 (API No. 30-015-30401), located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 28, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

The N/2 of Section 28 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for both intervals.

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

By the authority granted me under the provisions of the special pool rules governing both these pools, Division Memorandum 4-86, dated June 2, 1986, and Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to these pools.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe