

April 2, 2002

Saga Petroleum, L.L.C.
415 W. Wall - Suite 1900
Midland, Texas 79701

Telefax No. (915) 684-4293

Attention: Bonnie Husband

Administrative Order NSL-4713

Dear Ms. Husband:

Reference is made to the following: (i) your application dated February 15, 2002; and (ii) the Division's records, including the file on Division Administrative Orders NSP-1683, dated January 20, 1994, NSP-1684, dated January 20, 1994, and NSL-4577, dated April 24, 2001: all concerning Saga Petroleum, L.L.C.'s ("Saga") request for an exception to **Rule 2 (b)** of the *"Special Rules and Regulations for the Bluitt-San Andres Associated Pool,"* as promulgated by Division Order No. R-5353, as amended, for a non-standard Bluitt-San Andres infill gas well location within a standard 320-acre lay-down gas spacing and proration unit for the Bluitt-San Andres Associated Pool (6880) comprising the N/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

This 320-acre gas spacing and proration unit is currently simultaneously dedicated to Saga's: (i) Bluitt 13 "A" Federal Well No. 1 (API No. 30-041-20849), located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 13; (ii) Bluitt SA "B" Federal Well No. 3 (API No. 30-041-20211), located at an unorthodox gas well location 587 feet from the North line and 1849 feet from the West line (Unit C) of Section 13; (iii) Bluitt "13" Federal Well No. 6 (API No. 30-041-20852), located at an unorthodox gas well location 1980 feet from the North and West lines (Unit F) of Section 13; and (iv) Bluitt 13 "A" Federal Well No. 8 (API No. 30-041-20175), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13.

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, and the applicable provisions of the rules governing the Bluitt-San Andres Associated Pool.

By the authority granted me under the provisions of: (i) **Rule 2 (c)** of the *"General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico,"* as promulgated by Division Order No. R-5353, as amended; and (ii) Division Rule 104.F (2), as revised, the following described well located at an unorthodox infill gas well location within this 320-acre unit, is hereby approved: