



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

March 7, 1989

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Strata Production Company
648 Petroleum Building
Roswell, New Mexico 88201

SUBJECT: Special Rules for Hat Mesa-Bone Spring Pool
Division Order R-8872

Gentlemen:

According to the provisions of Division Order R-8872, effective March 1, 1989, special rules have been assigned to the Hat Mesa-Bone Spring Pool, in Lea County, New Mexico, which include the following:

A standard proration unit to be 80 acres, consisting of the N/2, S/2, E/2 or the W/2 of a governmental section.

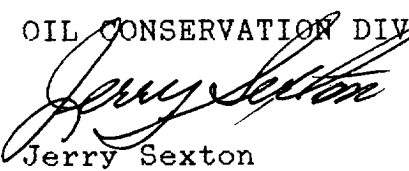
Each well to be located within 150 feet of the center of a quarter/quarter section.

The allowable for a standard proration unit is based on a depth bracket allowable of 355 barrels of oil per day. In the event more than one well is producing on the same proration unit, the wells may produce the allowable for the unit in any proportion.

We request that you submit a new Form C-102 dedicating a standard unit of 80 acres to your Gavilon Federal Well No. 1 located in Unit L of Section 33, Township 20 South, Range 33 East. In order for the allowable to remain in effect for this well, it is necessary for the new Form C-102 to be filed within 60 days from the effective date of this order.

Very truly yours

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

JS:bp

cc: Navajo Refining, Box 590, Artesia, NM 88210
File

Copy for well file