



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 30, 2000

Lori Wrotenbery

Director

Oil Conservation Division

**Elliott Oil Company
P. O. Box 3300
Roswell, New Mexico 88202
Attention: Debbie McKelvey**

Administrative Order NSL-4398-A (SD)

Dear Ms. McKelvey:

Reference is made to the following: (i) your application dated September 11, 2000; and (ii) to the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Administrative Order NSL-4398: all concerning Elliott Oil Company's ("Elliott") request for an unorthodox oil well location in both the Blinebry Oil and Gas Pool and the Tubb formation for the existing Monterey Federal Well No. 7 (30-025-34937) located 990 feet from the South line and 2480 feet from the West line (Unit V) of irregular Section 1, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The existing standard 40-acre oil spacing and proration unit in the Blinebry Oil and Gas Pool comprising the SE/4 SW/4 (Unit V) of irregular Section 1, which is included within a single Federal lease (United States Government Lease No. LC-0625525-B) in which Elliott Oil Company is the leasehold operator, is currently dedicated to the Elliott Well No. 6 (API No. 30-025-06335), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line of Section 1 and this same 40-acre tract, being a standard 40-acre oil spacing and proration unit for the Tubb formation, are to be dedicated to this well.

This application has been duly filed under the provisions of: (i) 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; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*," as promulgated by Division Order No. R-8170, as amended.

As stated previously in Order NSL-4398, the offsetting 40-acre tract to the east, the SW/4 SE/4 (Unit W) of irregular Section 1, is included within a single Federal lease (United States Government Lease No. LC-0625525) which is fully owned by Elliott Oil Company; therefore, it is our understanding that there are no effected offsets to the subject 40-acre tract within the Blinebry and Tubb intervals other than Elliott Oil Company.

Administrative Order NSL-4398-A(SD)

Elliott Oil Company

October 30, 2000

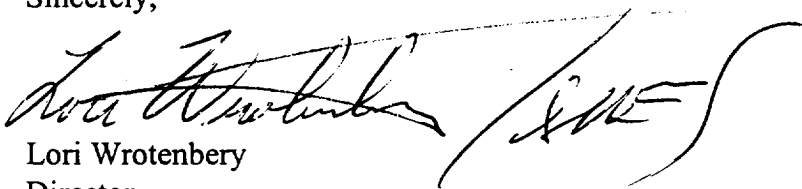
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By the authority granted me under the provisions of Division Rule 104.F (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Blinebry Oil and Gas Pool, the above-described unorthodox oil well location is hereby approved.

Division Administrative Order NSL-4398 shall remain in full force and affect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or scribble.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad
File: NSL-4398