

DATE: November 1, 1996

TO: Mr. Mike Stogner

FROM: Paula Ives

SUBJECT: Administrative Application for a non-standard 120-acre gas spacing and proration unit in the North Teague Lower Paddock-Blinebry Associated Pool for both the B.F. Harrison "B" Wells Nos. 5 and 7.

As per your request dated 10-17-96, please find listed below, the additional information you requested:

Attached; a land plat with all off-setting lessees of record for this formation shaded for easier identification.

(i) A brief explanation as to why the 40 acres comprising the SE/4 NW/4 (Unit F) of said Section
9 is being excluded from this dedication;

The B.F. Harrison "B: Well #23 is in this 40 acres and is an oil well.

(ii) A description of the acreage covered by the B.F. Harrison "B" lease include;

We have the lease separated into "A", "B", and "C" leases. The "A" lease (which has no production that we operate) covers the SW/4 of Sec. 5. The "B" lease covers the SE/4 of Sec. 5 and the NW/4 of Sec. 9. The "C" lease covers the SW/4 of Sec. 9. The lease is split into "A", "B", and "C" portions because of differing royalty ownership in each portion.

(iii) Reference by Order No. the Rules applicable in this pool.

Order No: R-5353-Q-1, effective May 30, 1996, Pursuant to Paragraph "C" of Section 70-2-18 N.M.S.A. 1978 Comp. existing wells may have non-standard spacing or proration units est. by Division.

Please find attached a signed waiver from the offset operators.

If you have any questions, please call me at (505)397-0432.

Sincerely,

Paula S. Ives Engineer Assistant

PSI/s

attachments