



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.

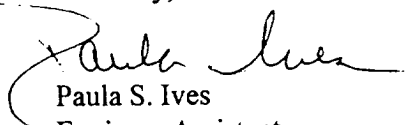
- (iii) Reference by Order No. the Rules applicable in this pool.

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