

Reinstatement of Division Administrative Order NSP-977
American Inland Resources Company, LLC
November 14, 2001
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By Division Administrative Order NSP-977, dated November 6, 1974, this 120-acre GPU was established and had simultaneously dedicated American Inland's: (i) Hadfield Well No. 1 (API No. 30-025-11676), located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 21; and (ii) Hadfield Well No. 2 (API No. 30-025-11675), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 21.

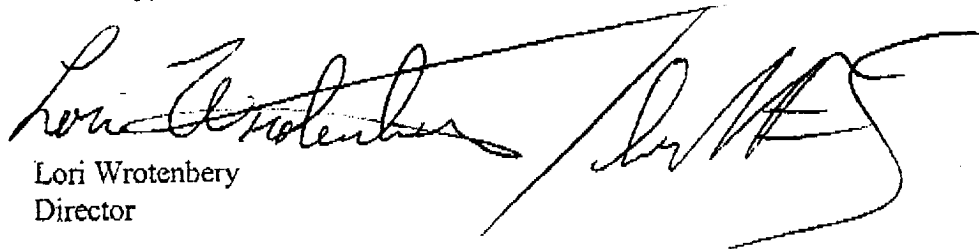
It is our understanding that the Hadfield Well No. 1 was reclassified from a Jalmat gas well to an oil well in March, 1987 and was just recently shut-in. The Hadfield Well No. 2 was reclassified from a Jalmat gas producer to an oil well in January, 1987. Essentially this 120-acre GPU ceased to exist in 1987 when both wells were reclassified. It is further understood that after a recent workover the Hadfield Well No. 2 was again reclassified a Jalmat gas well.

By the authority granted me under the provisions of these rules, regulations, and directives, the above-described 120-acre GPU should be restored for the above-described Hadfield Well No. 2. Also, American Inland is permitted to produce the allowable to be assigned thereto in accordance with Rule 5 of the rules governing the Jalmat Gas Pool based upon the respective unit size of 120 acres.

It is further ordered that all provisions applicable to the subject GPU in Division Administrative Orders NSP-667, not in conflict with this order, shall remain in full force and affect until further notice. It shall be further noted that the operator of this GPU shall abide by all applicable provisions governing the Jalmat Gas Pool including Rule 2 (a) 3 which forbids the simultaneous dedication of acreage assigned a gas well with an oil well.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-977