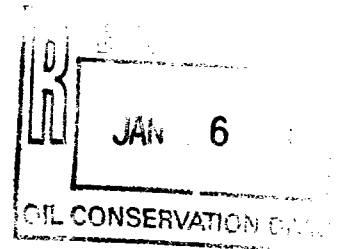


BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COBRA OIL & GAS CORPORATION,
FOR AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 11466

APPLICATION

COBRA OIL & GAS CORPORATION, through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order approving an unorthodox oil well location, and in support thereof states:

1. Applicant is the operator of the SW/4 SW/4 of Section 3, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and proposes to drill its State 3 Com. No. 1 Well as an oil well in the Devonian formation, at an unorthodox location 675 feet from the South line and 114 feet from the West line in Unit M of said Section 3.

2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well to an approximate depth of 12,500 feet to test all formations to the base of the Devonian formation at the above-described location.

3. A standard 40-acre standard proration unit comprised of the SW/4 SW/4 of said Section 3 should be dedicated to the well.

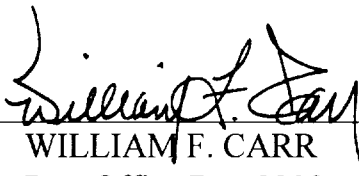
4. Approval of this application will afford Applicant the opportunity to produce

its just and equitable share of the oil and gas in the Devonian formation and will otherwise be in the best interest of conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 8, 1996, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

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