



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 5, 2003

Texland Petroleum, L. P.
777 Main Street – Suite 3200
Fort Worth, Texas 76102
Attention: **Mark A. Jacoby**
mjacoby@texpetro.com

Administrative Order NSL-4893

Dear Mr. Jacoby:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division (“Division”) in Santa Fe by e-mail on June 3, 2003 (*administrative application reference No. pKRV0-315455923*); (ii) your telephone conversations with Mr. Michael E. Stogner, Division Engineer/Hearing Officer in Santa Fe on Monday, June 2, Tuesday, June 3, and Thursday, June 5, 2003; (iii) your e-mail correspondences on Thursday, June 5, 2003 with Mr. Stogner; (iv) your telefax of Thursday, June 5, 2003 with supplemental information supporting your application; and (v) the Division’s records in Santa Fe: all concerning Texland Petroleum, L. P.’s request (“Texland”) request for an unorthodox wildcat oil well location in both the Abo and deeper Wolfcamp formations for the proposed McKinley “CT” Well No. 1 to be drilled 1535 feet from the North line and 2418 feet from the West line (Unit F) of Section 30, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

The SE/4 NW/4 (Unit F) of Section 30, being a standard 40-acre oil spacing and proration unit for both intervals is to be dedicated to this well.

This application has been duly filed under the provisions of 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.

It is our understanding that the entire NE/4 and E/2 NW/4 of Section 30 is a single fee lease with common ownership throughout in which Texland is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract within both intervals.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the shallower Abo interval than a well drilled at a location considered to be standard within the

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proposed 40-acre unit and lease. Topographic conditions further restrict placement of a drilling pad on the lease.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox wildcat oil well location to both the Abo and Wolfcamp formations within this 40-acre unit is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs