



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 16, 1994

Maralo Inc.
P.O. Box 832
Midland, Texas 79702

Attention: Ms. Dorothea Logan

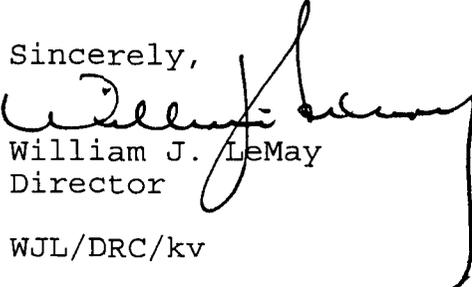
Administrative Order NSL-3444

Dear Ms. Logan:

Reference is made to your application dated December 8, 1994, for a non-standard gas well location for the D. S. "26" Federal Well No. 1 to be drilled 1783 feet from the North line and 1259 feet from the East line (Unit H) of Section 26, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, to test the Morrow and Cisco/Canyon formations, Undesignated McMillan-Morrow and Undesignated Springs Upper-Pennsylvanian Gas Pools. The N/2 of Section 26 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By authority granted me under the provisions of General Rule 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/DRC/kv

cc: Oil Conservation Division-Artesia
US Bureau of Land Management-Carlsbad