



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 1, 1997

**UMC Petroleum Corporation**  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

*Administrative Order NSL-3816*

Dear Mr. Bruce:

Reference is made to your application dated June 5, 1997 on behalf of the operator UMC Petroleum Corporation for a non-standard oil well location in the North Echol-Devonian Pool for its Rainer State Well No. 1 to be drilled 1300 feet from the North line and 2310 feet from the East line (Unit B) of Section 28, Township 10 South, Range 37 East, NMPM, Lea County, New Mexico. The NW/4 NE/4 of said Section 28 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

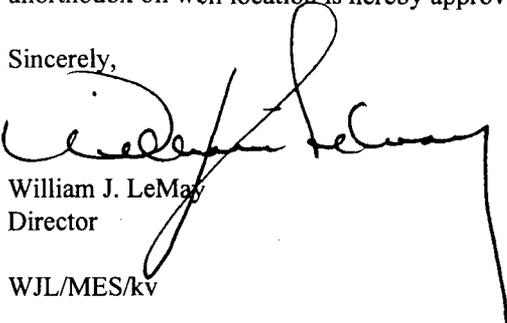
The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval of the Devonian formation than a well drilled at a location considered to be standard in either the subject 40-acre oil spacing and proration unit or the 40-acre tract immediately to the south in the SW/4 NE/4 (Unit G) of said Section 28.

Further, the W/2 NE/4 (Units "B" and "G") of said Section 28 is a single State lease (V04334) in which UMC Petroleum Corporation is the lessee; therefore, there are no effected offsets to the subject 40-acre tract other than UMC Petroleum Corporation.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe