



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 17, 1997

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0217
Attention: Mike Hanagan

Administrative Order NSL-3837

Dear Mr. Hanagan:

Reference is made to your application dated July 10, 1997 for a non-standard oil well location for your proposed Ramos-Fee Well No. 2 to be drilled 2596 feet from the North line and 2027 feet from the West line (Unit F) of Section 33, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico.

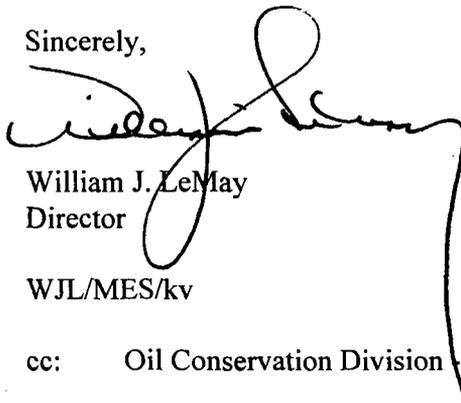
The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Siluro-Devonian formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 of said Section 33.

As further indicated by the applicant, all mineral interests within all of said Section 33 is common throughout and Marbob Energy Corporation ("Marbob") is the operator and lessee of record; therefore, there are no affected offsets to the subject 40-acre tract other than Marbob.

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 11351 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: Oil Conservation Division - Artesia