



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 3, 1997

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

Administrative Order NSL-3891

Dear Mr. Hanagan:

Reference is made to your application dated October 28, 1997 for a non-standard oil well location for your proposed Lewis-Fee Well No. 1 to be drilled 1130 feet from the South line and 2544 feet from the West line (Unit N) of Section 31, Township 9 South, Range 37 East, NMPM, Undesignated East Crossroads-Devonian Pool, Lea 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 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 SW/4 of said Section 31.

As further indicated by the applicant, all mineral interests within all of said Section 31 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").

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,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a large, stylized flourish.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs