



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 13, 1997

Me-Tex Oil & Gas, Inc.
c/o Peak Consulting Services
P. O. Box 636
Hobbs, New Mexico 88240
Attention: Michael L. Pierce

Administrative Order NSL-3898

Dear Mr. Pierce:

Reference is made to the following: (i) Mr. Michael L. Pierce's original application to the Division, dated October 23, 1997; (ii) Mr. Pierce's meeting in Santa Fe with Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division on Wednesday, November 5, 1997; (iii) Division Case 11872; and, (iv) the records of the Division in Santa Fe: all concerning Me-Tex Oil & Gas, Inc.'s ("Me-Tex") request for an unorthodox oil well location in the newly created Northwest Skaggs-Drinkard Pool for Me-Tex's proposed J. Cooper Well No. 2 to be drilled 1450 feet from the North line and 1867 feet from the East line (Unit G) of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, whereby the SW/4 NE/4 of said Section 3 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

The subject 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").

Further, the W/2 NE/4 equivalent of said Section 3 is subject to a fee lease agreement in which Me-Tex is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Me-Tex.

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