



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 12, 1998

UMC Petroleum Corporation
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Corrected Administrative Order NSL-3936

Dear Mr. Bruce:

Reference is made to your application dated January 20, 1998 on behalf of the operator, UMC Petroleum Corporation, for approval to drill the Parkway West Unit "28" Well No. 3 at an unorthodox gas well location to test both the Undesignated West Parkway-Strawn Gas Pool and the Undesignated West Parkway-Morrow Gas Pool 1310 feet from the South and West lines (Unit M) of Section 28, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. The S/2 of said Section 28 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for both intervals.

It is our understanding that the subject well is to be drilled to a depth sufficient to test the Morrow formation; however, the shallower Strawn formation is the primary zone of interest. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the West Parkway-Strawn Gas Pool than a well drilled at a location considered to be standard (see Rule 4 of the "Special Rules and Regulations for the West Parkway-Strawn Gas Pool and West Parkway-Atoka Gas Pool," as promulgated by Division Order No. R-4638, as amended).

Further, that area comprising all of Sections 20, 21, 22, 27, 28, and 29 of said Township 19 South, Range 29 East, NMPM, in Eddy County, New Mexico is the Parkway West Unit Area operated by UMC Petroleum Corporation; therefore, there are no affected offsets to the subject 320-acre tract other than UMC.

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 gas well location is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

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