



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 28, 1998

Ocean Energy, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4119

Dear Mr. Bruce:

Reference is made to your application dated August 26, 1998 on behalf of the operator, Ocean Energy, Inc., for an exception to the "*Special Rules for the North Echol-Devonian Pool*," as promulgated by Division Order No. R-11033, issued in Case 12012 and dated August 19, 1998, requesting authorization to drill its proposed Mazama State Well No. 1 at an unorthodox oil well location 2130 feet from the North line and 1650 feet from the East line (Unit G) of Section 21, Township 10 South, Range 37 East, NMPM, Lea County, New Mexico.

The S/2 NE/4 of Section 21 being a standard 80-acre oil spacing and proration unit for this pool is to be dedicated to said well.

This 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").

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 subject 80-acre tract.

By the authority granted me under the provisions of RULE 5 of said special pool rules and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

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