



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 8, 1999

MYCO Industries, Inc.
P. O. Box 840
Artesia, New Mexico 88211-0840
Attention: Nelson Muncy

Telefax No. (505) 748-2368

AMENDED Administrative Order NSL-4238 (SD)

Dear Mr. Muncy:

Reference is made to your application dated April 6, 1999 to amend New Mexico Oil Conservation Division ("Division") Administrative Order NSL-4238 (SD), dated March 22, 1999, which order authorized MYCO Industries, Inc. ("MYCO") to drill its Continental "A" State Well No. 16 (API No. 30-015-30604) at an unorthodox infill oil well location 980 feet from the South line and 1300 feet from the East line (Unit P) of Section 10, Township 19 South, Range 29 East, NMPM, Turkey Track (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

It is our understanding while drilling the Continental "A" State Well No. 16 MYCO experienced problems that resulted in the abandonment of this wellbore. The drilling rig was skidded to the east 100 feet and a replacement wellbore, designated the Continental "A" State Well No. 16-Y, was commenced.

This amended application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), MYCO is hereby authorized to drill its Continental "A" State Well No. 16-Y at an unorthodox infill oil well location 980 feet from the South line and 1200 feet from the East line (Unit P) of Section 10. Further, both MYCO's Continental "A" State Well No. 10 (API No. 30-015-27190), located at a standard oil well location 660 feet from the South and East lines of Section 10, and the Continental "A" State Well No. 16-Y are to be simultaneously dedicated to the existing 40-acre oil spacing and proration unit that comprises the SE/4 SE/4 of Section 10.

The original Administrative Order NSL-4238 (SD), dated March 22, 1999, is hereby placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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