

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 30, 2009

Rubicon Oil & Gas, LLC
Attn: Ann Ritchie
P.O. Box 953
Midland, TX 79702

Administrative Order NSL-6090

Re: Sell 25 Well No. 1
API No. 30-025
330 feet FSL and 1500 feet FWL
Unit N, Section 25-21S-35E
Lea County, New Mexico

Dear Ms. Ritchie:

Reference is made to the following:

- (a) your application (**administrative application reference No. pWVJ09-25748483**) originally submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 21, 2009,
- (b) additional information submitted on August 20, August 31 and September 8, 2009, and
- (c) the Division's records pertinent to this request.

Rubicon Oil & Gas, LLC (Rubicon) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SE/4 SW/4 of Section 25 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Eumont Yates-7 Rivers-Queen Pool (76480). Spacing for oil wells in this pool is governed by Rules 2(B) and 3(a)(1) of the Special Rules for the Eumont Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, which provide that an oil well shall be at least 330 feet from any quarter/quarter section line. This location is less than 330 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).



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It is our understanding that you are seeking this location for geologic reasons.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs