



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 25, 2007

Navajo Nation Oil & Gas Company, Inc.
c/o Mr. Brian Wood
37 Verano Loop
Santa Fe, New Mexico 87508

JUL 30 2007
OCD-ARTESIA

Attention: Mr. Brian Wood, Consultant

Re: **ATSE Well No. 36F**
API No. 30-045-34044
2460' FNL & 1799' FWL, Unit F,
Section 36, T-32 North, R-20 West, NMPM,
San Juan County, New Mexico

Administrative Order NSL-5659

Dear Mr. Wood:

Reference is made to the following:

(a) your application on behalf of Navajo Nation Oil & Gas Company, Inc. ("Navajo Nation" or "applicant") for a non-standard well location (*administrative application reference No. pCLP0717342603*) for the ATSE Well No. 36F that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 21, 2007; and

(b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox oil well location for its ATSE Well No. 36F in the Wildcat-Paradox Pool (Oil – N/A) which is to be drilled 2460 feet from the North line and 1799 feet from the West line (Unit F) of Section 36, Township 32 North, Range 20 West, NMPM, San Juan County, New Mexico. The SE/4 NW/4 of Section 36 is to be dedicated to the well in the Wildcat-Paradox Pool forming a standard 40-acre oil spacing and proration unit.

The Wildcat-Paradox Pool is currently governed by Division Rule No. 19.15.3.104(B).

The applicant presented evidence that demonstrates that the proposed unorthodox oil well location is necessitated by topographic and geologic considerations within the SE/4 NW/4 of Section 36.

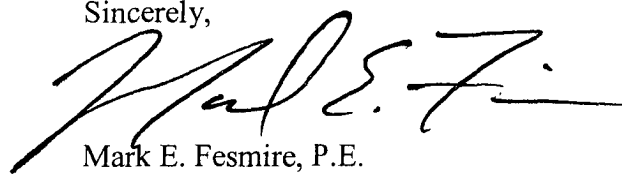
The subject well is located on a 12,160-acre Navajo Tribal Trust oil and gas lease that encompasses, among other acreage, all of the affected offset acreage. Navajo Nation is the operator of

this lease. Navajo Nation has provided notice of this application to the Bureau of Indian Affairs, the Bureau of Land Management, and the Navajo Nation Minerals Department. No party has objected to the application within the 20-day waiting period prescribed by Division Rule No. 19.15.3.104(F).

Division records show that there are no other wells currently producing from the Wildcat-Paradox Pool within the SE/4 NW/4 of Section 36.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Wildcat-Paradox Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: OCD-Aztec
 Bureau of Land Management-Farmington