



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 12, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Duane C. Winkler

RECEIVED
AUG 17 1998
OIL CON. DIV.
DIST. 3

Administrative Order NSL-4111

Dear Mr. Winkler:

Reference is made to your application dated July 14, 1998 for a non-standard gas well location within the Undesignated Cabresto Canyon-Ojo Alamo Pool for Mallon Oil Company's proposed Jicarilla 459-17 Well No. 10 (API No. 30-039-25854) to be drilled 140 feet from the South line and 1110 feet from the West line (Unit M) of Section 17, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. The SW/4 of Section 17 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit.

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 Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Albuquerque