



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Forest Oil Corporation
1600 Broadway – Suite 2200
Denver, Colorado 80202

Attention: Anna Walls
Land Tech
avwalls@forestoil.com

November 26, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order NSL-5137

Dear Ms. Walls:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 4, 2004 (*administrative application reference No. pMES0-430960242*); and (ii) the Division's records in Santa Fe: all concerning Forest Oil Corporation's ("Forest") request to drill its proposed Crossroads Siluro Devonian Unit Well No. 107 within a standard 40-acre oil spacing and proration unit in the Crossroads (Siluro-Devonian) Pool (13490) comprising the NW/4 SE/4 (Unit J) of Section 34, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico, at an unorthodox oil well location 2025 feet from the South line and 2485 feet from the East line of Section 34.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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 potentially productive interval of the Crossroads (Siluro-Devonian) Pool than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit.

By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox oil well location for Forest's proposed Crossroads Siluro Devonian Unit Well No. 107 within the Crossroads (Siluro-Devonian) Pool is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/mes

cc: New Mexico Oil Conservation Division – Hobbs