



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

August 26, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Lynx Petroleum Consultants, Inc.
P. O. Box 1708
Hobbs, New Mexico 88241

Attention: Marc Wise
lynxpet@leaco.net

Administrative Order NSL-599-B

Dear Mr. Wise:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 18, 2003 (*administrative application reference No. pMES0-323338919*); and (ii) the Division's records, including the files on Administrative Orders NSL-599 and NSL-599-A: all concerning Lynx Petroleum Consultants, Inc.'s ("Lynx") request to amend previous Division administrative orders for an unorthodox gas well location by expanding the vertical limits to include the gas bearing Canyon formation.

The subject request 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

Division Administrative Order NSL-599, dated March 15, 1973, authorized Michael P. Grace II to drill its Airport Grace Well No. 1 (API No. 30-015-20829) at an unorthodox gas well location within the South Carlsbad-Morrow Gas Pool 1980 feet from the South line and 2164 feet from the West line (Unit K) of Section 36, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 36.

By Administrative Order NSL-599-A, dated March 19, 2002, the Division authorized Marbob Energy Corporation to recomplete the Airport Grace Well No. 1 up-hole into the Undesignated South Carlsbad-Strawn Pool (74120) within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 36 at an unorthodox gas well location.

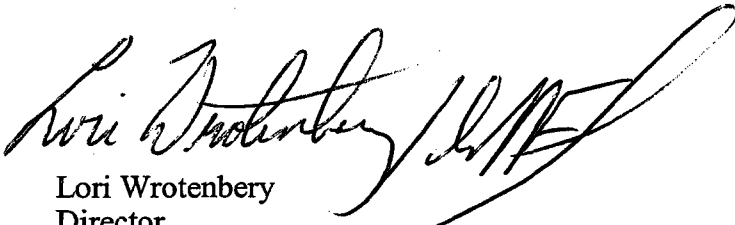
It is the Division's understanding that Lynx, as the current operator, now intends to abandon the Strawn interval and recomplete the above-described Airport Grace Well No. 1 by plugging back into the Undesignated South Carlsbad-Canyon Gas Pool (73880). Pursuant to Division Rule 104.C (2) (a), as revised, this location is also unorthodox for the proposed standard 320-acre stand-up Canyon gas spacing unit comprising the W/2 of Section 36.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox gas well location for Lynx's Airport Grace Well No. 1 is hereby approved for the Undesignated South Carlsbad-Canyon Gas Pool.

Further, Division Administrative Order NSL-599-A, dated March 19, 2002, shall be placed in abeyance until further notice.

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

Sincerely,



Lori Wrotenberg
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
File: NSL-599
NSL-599-A