

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 16, 1997

EnergyPro, Inc.
3003 Dawn Drive - Suite 104
Georgetown, Texas 78628
Attention: Don C. Pfister, President

Administrative Order NSL-3786

Dear Mr. Pfister:

Reference is made to your application dated February 5, 1997, as amended by correspondence dated February 19 and April 10, 1997, for a non-standard oil well location for the South Denton-Devonian Pool for your proposed Warren State Well No. 1 to be drilled 1295 feet from the South line and 880 feet from the East line (Unit P) of Section 35, Township 15 South, Range 37 East, NMPM, Lea County, New Mexico. The SE/4 SE/4 of said Section 35 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

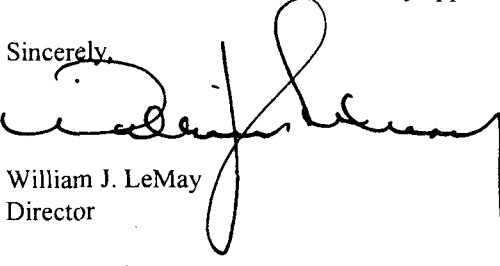
The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval of the Devonian formation than a well drilled at a location considered to be standard within the subject 40-acre oil spacing and proration unit.

Further, the E/2 SE/4 of said Section 35 is a single State lease in which EnergyPro, Inc. is the lessee; therefore, there are no effected offsets to the subject 40-acre tract other than EnergyPro, Inc.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe