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 4, 1995

Merit Energy Company 12,222 Merit Drive - Suite 1500 Dallas, Texas 75251

Attention: Sheryl J. Carruth

Administrative Order NSL-3513

Dear Ms. Carruth:

Reference is made to your application dated March 24, 1995 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the (Mobil) Langlie Mattix Humphrey Waterflood Project Area, established by Division Order No. R-3824, dated September 4, 1969.

It is our understanding that the proposed Humphrey Queen Unit Well No. 35 is to be drilled 2362 feet from the North line and 2488 feet from the East line (Unit G) of Section 3, Township 25 South, Range 37 East, NMPM, Langlie-Mattix Pool, Humphrey Queen Unit, Lea County, New Mexico.

Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of said Section 3 which is currently dedicated to the Humphrey Queen Unit Well No. 10 (API No. 30-025-11424), located at a standard oil well location 1650 feet from the North and East lines of said Section 3.

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox oil well location is hereby approved.

Sincerely, William J. Director WJL/MES/kv

cc: Oil Conservation Division - Hobbs