



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

January 6, 1997

Cobra Oil & Gas Corporation
P. O. Box 8206
Wichita Falls, Texas 76307-8206
Attention: Rory Edwards

Administrative Order NSL-3753

Dear Mr. Edwards:

Reference is made to your application dated December 10, 1996 for an exception to the "*Special Rules and Regulations for the South Crossroads-Devonian Pool*", as promulgated by Division Order No. R-2284, dated July 17, 1962, requesting authorization to drill its proposed State "3" Well No. 1 (API No. 30-025-33721) to be drilled at an unorthodox oil well location 2310 feet from the North line and 1650 feet from the West line (Unit F) of Section 3, Township 10 South, Range 36 East, NMPM, Undesignated South Crossroads-Devonian Pool, Lea County, New Mexico.

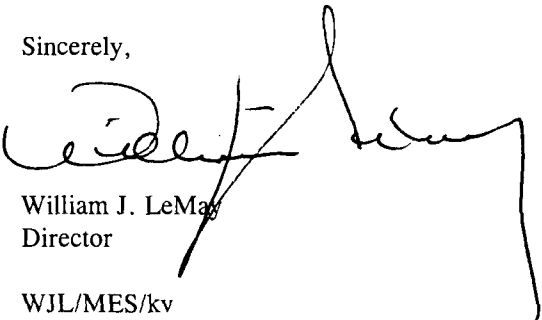
The S/2 NW/4 of said Section 3 being a standard 80-acre oil spacing and proration unit for said pool is to be dedicated to said well.

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 Devonian formation than a well drilled at a location considered to be standard.

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 said Special Pool Rules, Division Memorandum 4-86 (dated June 2, 1986), and 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 - Hobbs
New Mexico State Land Office - Santa Fe