



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

March 11, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Rubicon Oil & Gas, LLC
c/o Ramey Petroleum Consultants, Inc.
303 West Wall – Suite 1005
Midland, Texas 79701-5112
Attention: Darol K. Ramey

Telefax No. (915) 685-4062

Administrative Order NSL-4851

Dear Mr. Ramey:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 10, 2003 (*application reference No. pKRV0-307028689*); and (ii) the Division's records in Santa Fe and Artesia: all concerning Rubicon Oil & Gas, LLC's ("Rubicon") request for an unorthodox Morrow gas well location within a proposed 320-acre standard lay-down gas spacing unit comprising the N/2 of Section 36, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico, for the Southwest Black River-Morrow Gas Pool (**pool code here**).

This unit is to be dedicated to the plugged and abandoned Jake State Well No. 2 (**API No. 30-015-21520**), located 678 feet from the North line and 2202 feet from the West line (Unit C) of Section 36.

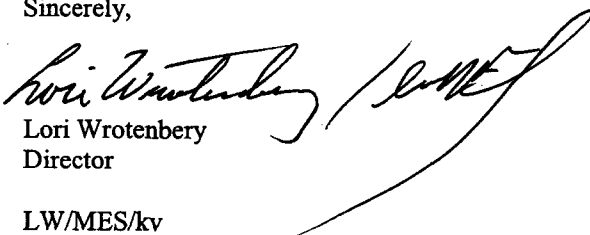
This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

From the Division's records, Coquina Oil Corporation of Midland, Texas originally drilled this well in 1975 to a total depth of 11,955 feet to test the Pennsylvanian interval for gas production within the N/2 of Section 36. At that time the well's location within the subject 320-acre lay-down gas spacing unit was standard for deep gas production in southeast New Mexico. The Pennsylvanian zone tested dry and the well was plugged and abandoned.

It is our understanding that Rubicon now intends to reenter this well and attempt to obtain commercial production from the Morrow formation

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well within the Southwest Black River-Morrow Gas Pool is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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