



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 12, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Duane C. Winkler

Administrative Order NSL-4109

Dear Mr. Winkler:

Reference is made to your application dated July 14, 1998 for a non-standard gas well location within the Undesignated Cabresto Canyon-Ojo Alamo Pool for the Jicarilla 459-20 Well No. 7 (API No. 30-039-25786) 1535 feet from the North line and 2250 feet from the East line (Unit G) of Section 20, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. The NE/4 of Section 20 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit. It is our understanding that Mallon Oil Company drilled this well in March/April, 1998 to a total depth of 4070 feet.

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").

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

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Albuquerque