



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

WTF
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OCT 11 1996

OIL CON. DIV.
DIST. 2

October 9, 1996

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0217
Attention: David Martin

Administrative Order NSL-3716

Dear Mr. Martin:

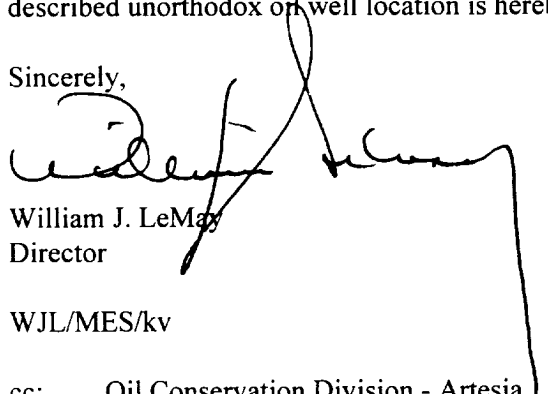
Reference is made to: (i) your application dated August 30, 1996, (ii) my letter dated September 10, 1996, (iii) your response by letter dated September 19, 1996, and (iv) Mr. Raye Miller's letter dated October 4, 1996 with supplemental data, all of which refer to Marbob's request for a non-standard oil well location for the proposed Barnsdall Federal Well No. 3 to be drilled 1090 feet from the North line and 1650 feet from the West line (Unit C) of Section 27, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

The geologic interpretation and proposed drainage summary 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 Yeso formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 of said Section 27.

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: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Roswell