



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2048 South Pacheco Street
Santa Fe, New Mexico 87605
(505) 827-7121

March 30, 1999

MYCO Industries, Inc.
P. O. Box 840
Artesia, New Mexico 88211-0840
Attention: Nelson Muncy

Telefax No. (505) 748-2368

Administrative Order NSL-4247(SD)

Dear Mr. Muncy:

Reference is made to your application dated March 29, 1999, as amended by letter dated March 30, 1999, for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 29 East, NMPM, Turkey Track (Seven Rivers/Queen/Grayburg/San Andres) Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to MYCO Industries, Inc.'s ("MYCO") Continental State Well No. 5 (API No. 30-015-03575) located at a standard oil well location 330 feet from the South and West line of Section 10.

Further, the S/2 SW/4 of Section 10 is a single State lease (New Mexico State Land Office Lease No. B-08096-0024) in which MYCO is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than MYCO.

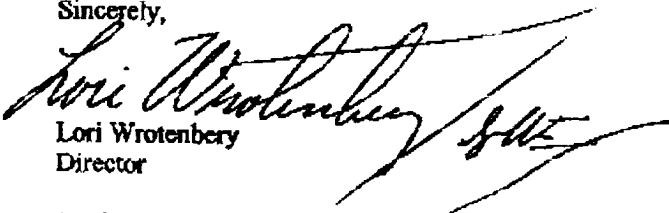
The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the SW/4 SW/4 (Unit M) of Section 10 is hereby approved:

**Continental State Well No. 17
400' FSL & 1200' FWL**

Further, both the existing Continental State Well No. 5 and the proposed Continental State Well No. 17 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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