



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

March 9, 1998

Oryx Energy Company
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Administrative Order NSL-3963(SD)

Dear Mr. Kellahin:

Reference is made to your application dated February 17, 1998 on behalf of the operator Oryx Energy Company ("Oryx") for a non-standard gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool for Oryx's proposed Lowe State Gas Com Well No. 3 to be drilled 835 feet from the South line and 660 feet from the East line (Unit P) of Section 36, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

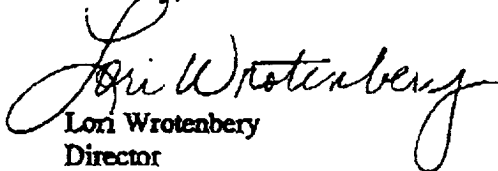
All of said Section 36 being a standard 640-acre gas spacing and proration unit for said pool is to be dedicated to said well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within Upper-Pennsylvanian interval 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 statewide Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of RULE 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Gas Pool," as promulgated by Division Order No. R-8170, as amended, and Division General RULE 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad