



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

November 8, 2005

**Mark Fesmire**

Director

**Oil Conservation Division**

McQuadrangle, LLC  
c/o Charles C. Joy  
702 Hermosa Drive  
Artesia, New Mexico 88210

Telefax No. (505) 746-2607

*Administrative Order NSL-5299*

Dear Mr. Joy:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-531234571*) dated October 30, 2005 filed on behalf of the operator, McQuadrangle, LLC of Lubbock, Texas; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Artesia and Santa Fe, New Mexico, including the file in Division Case No. 13489: all concerning McQuadrangle, LLC's request to drill its Midnight Matador Federal Well No. 3 at an unorthodox San Andres oil well location 1150 feet from the North line and 2310 feet from the West line (Unit C) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico. The NE/4 NW/4 of Section 35 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the Red Lake (Queen-Grayburg-San Andres) Pool (**51300**).

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

It is the Division's understanding that the E/2 NW/4 of Section 35 is a single federal lease (*U. S. Government lease No. LC-050158*) with common mineral interests within the oil bearing interval of the San Andres formation in which McQuadrangle, LLC is the leasehold operator; therefore, there are no adversely effected offsets to the subject 40-acre tract.

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

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.  
Director

MEF/ms

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