



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 7, 1994

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MYCO Industries, Inc.
c/o Ernest L. Carroll
Lossee, Carson, Haas & Carroll, P.A.
P.O. Drawer 239
Artesia, NM 88211-0239

Administrative Order NSL-3362

Dear Mr. Carroll:

Reference is made to your application dated February 22, 1994 on behalf of the operator, MYCO Industries, Inc., for a non-standard gas well location for the MYD Federal Well No. 1 to be drilled 990 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 17 South, Range 25 East, NMPM, to test the Morrow formation, Eddy County, New Mexico.

It is our understanding that the primary objective for this well is the Eagle Creek-Permo Pennsylvanian Gas Pool. The deeper Strawn (Undesignated Eagle Creek-Strawn Gas Pool), Atoka (Undesignated Eagle Creek Atoka-Morrow Gas Pool or Undesignated Richard Knob Atoka-Morrow Gas Pool) and Morrow (Undesignated Eagle Creek Atoka-Morrow Gas Pool, Undesignated Richard Knob Atoka-Morrow Gas Pool or Undesignated West Atoka-Morrow Gas Pool) horizons are secondary objectives. Further, geologic interpretation places this proposed unorthodox gas well location at a more favorable location within the Eagle Creek Permo-Pennsylvanian Gas Pool than a well drilled at a location considered to be standard.

The E/2 of said Section 34 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for any of said gas-producing intervals between the subject Permo-Pennsylvanian pool and Morrow formation.

By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad