



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

September 10, 1996

Maralo, Inc.
P. O. Box 832
Midland, Texas 79702
Attention: Dorothea Logan

Administrative Order NSL-3710

Dear Ms. Logan:

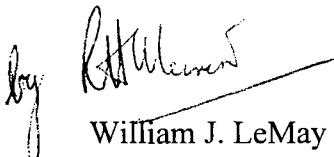
Reference is made to your application dated August 30, 1996, amended by letter dated September 6, 1996, and supplemented by "fax" dated September 10, 1996, all pertaining to Maralo, Inc.'s request for a non-standard oil well location for your proposed Burrows "17" Well No. 1 to be drilled 870 feet from the North line and 1180 feet from the East line (Unit A) of Section 17, Township 17 South, Range 38 East, NMPM, Lea County, New Mexico.

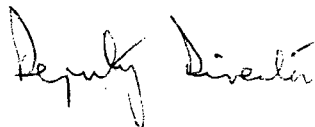
The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Strawn formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 of said Section 17.

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 Strawn oil well location is hereby approved.

Sincerely,


William J. LeMay
Director


Deputy Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs