OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

January 20, 1988

Lynx Petroleum Consultants, Inc. P. O. Box 1708
Hobbs, New Mexico 88241
Attention: Marc Wise

Administrative Order NSL-3934(SD)

Dear Mr. Wise:

Reference is made to your application dated January 13, 1998 for an unorthodox "infill" oil well location in an existing 40-acre standard oil spacing and proration unit for the Maljamar-Grayburg San Andres Pool comprising the SE/4 SW/4 (Unit N) of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. Said 40-acre unit is currently dedicated to the Lynx Federal Well No. 3 (API No. 30-025-27929), located at a standard oil well location 330 feet from the South line and 1650 feet from the West line of said Section 15.

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 Lynx Petroleum Consultants, Inc.'s operated Lynx Federal lease (U. S. Government lease No. LC-054687), which comprises the NW/4, N/2 SW/4, SE/4 SW/4, and the W/2 SE/4 of said Section 15, to adequately drain reserves within the productive interval that might not otherwise be produced and to provide for a more efficient production pattern within the Maljamar-Grayburg San Andres Pool.

The subject 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.

By the authority granted me under the provisions of Division General Rule 104.F(2), the following described well to be drilled at an unorthodox infill oil well location in said Section 15 is hereby approved:

Lynx Federal Well No. 10 1180' FSL & 2330' FWL (Unit N)

Further, Maljamar-Grayburg San Andres Pool oil production from the Lynx Federal Well Nos. 3 and 10 are to be simultaneously dedicated to the subject 40-acre tract.

Sincerely,

Kathleen A. Garland Acting Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

U. S. Bureau of Land Management - Carlsbad