



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 9, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Terry Lindeman

Administrative Order NSL-3993

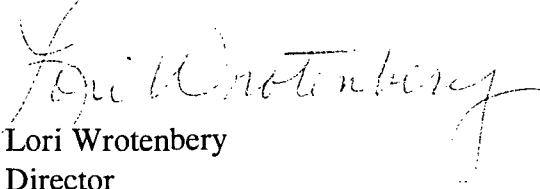
Dear Mr. Lindeman:

Reference is made to your application dated March 18, 1998 for a non-standard Pictured Cliffs gas well location for your proposed Jicarilla 458-8 Well No. 7 (API No. 30-039-25759) to be drilled 2270 feet from the North line and 795 feet from the East line (Unit H) of Section 8, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Lots 1 and 2 and the S/2 NE/4 (N/E equivalent) of said Section 8 is to be dedicated to said well in order to form a standard 151.31-acre gas spacing and proration unit for the East Blanco-Pictured Cliffs Pool.

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").

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

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington