



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-3995

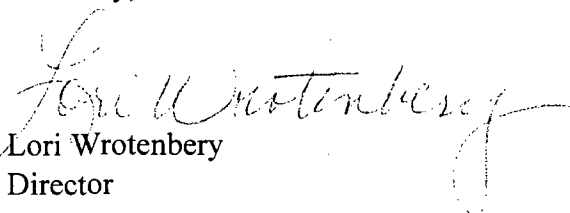
Dear Mr. Lindeman:

Reference is made to your application dated March 18, 1998 for authorization to drill the Jicarilla 464-29 Well No. 9 (API No. 30-039-25765) to test both the East Blanco-Pictured Cliffs Pool and the Mancos formation at an unorthodox gas well location 2430 feet from the North line and 2405 feet from the East line (Unit G) of Section 29, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. The NE/4 of said Section 29 is to be dedicated to said well in order to form a standard 160-acre gas spacing and proration unit for both intervals.

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 location in both the East Blanco-Pictured Cliffs Pool and the Mancos formation for the Jicarilla 464-29 Well No. 9 is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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