



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 18, 1998

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227
Attention: Raye Miller

Administrative Order NSL-4034

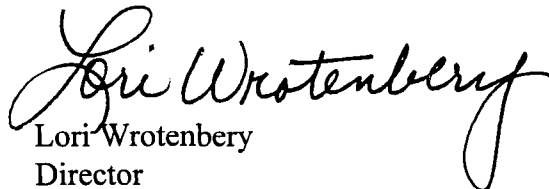
Dear Mr. Miller:

Reference is made to your application dated April 20, 1998 for approval to drill the proposed Cedar Lake Federal Well No. 1 at an unorthodox gas well location to test the Morrow formation 1385 feet from the South line and 1410 feet from the West line (Unit K) of Section 18, Township 17 South, Range 31 East, NMPM, Undesignated Cedar Lake-Morrow Gas Pool or Undesignated North Cedar Lake-Morrow Gas Pool, Eddy County, New Mexico. Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 18 being a standard 304.51-acre gas spacing and proration unit for either pool is to be dedicated to said well.

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 Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad