



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 22, 1999

MYCO Industries, Inc.
P. O. Box 840
Artesia, New Mexico 88211-0840
Attention: Nelson Muncy



Administrative Order NSL-4238(SD)

Dear Mr. Muncy:

Reference is made to your application dated March 19, 1999 for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 (Unit P) of Section 10, Township 19 South, Range 29 East, NMPM, Turkey Track (Seven Rivers/Queen/Grayburg/San Andres) Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to MYCO Industries, Inc.'s ("MYCO") Continental "A" State Well No. 10 (API No. 30-015-27190) located at a standard oil well location 660 feet from the South and East lines of Section 10.

Further, the NE/4 SE/4 and the S/2 SE/4 of Section 10 is a single State lease (New Mexico State Land Office lease No. E-02943) in which MYCO is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than MYCO.

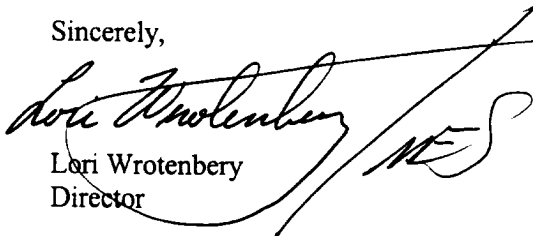
The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the SE/4 SE/4 (Unit P) of Section 10 is hereby approved:

**Continental "A" State Well No. 16
980' FSL & 1300' FEL.**

Further, both the existing Continental "A" State Well No. 10 and the proposed Continental "A" State Well No. 16 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /
New Mexico State Land Office - Santa Fe