



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

July 6, 1999

Marbob Energy Corporation  
P.O. Box 227  
Artesia, New Mexico 88211-0217  
Attention: Mike Hanagan



Telefax No. (505) 746-2523

*Administrative Order NSL-4326*

Dear Mr. Hanagan:

Reference is made to the following: (i) your application dated June 10, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe and Artesia: all concerning Marbob Energy Corporation's ("Marbob") request to drill its proposed Hellfighter-Fee Well No. 1 at an unorthodox oil well location within the Undesignated Race Track-Devonian Pool 330 feet from the South line and 1201 feet from the East line (Unit P) of Section 30, Township 10 South, Range 28 East, NMPM, Chaves County, New Mexico.

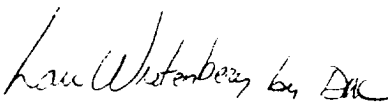
The application has been duly filed under the provisions of Division Rule 104.F.

The geologic interpretation submitted therein indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Devonian formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 of said Section 30.

As further indicated by your application, the SE/4 of Section 30 is within a single fee lease in which Marbob is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than Marbob.

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

Sincerely,

  
Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /