



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 24, 1998

AUG 28 1998

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

Administrative Order NSL-4117

Dear Ms. Nelson:

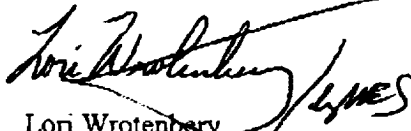
Reference is made to your application dated July 31, 1998 for a non-standard San Andres oil well location for Marbob Energy Corporation's ("Marbob") existing Bryce State Well No. 1 (API No. 30-025-34328), which was drilled in June to a total depth of 12,350 feet in order to test the Devonian formation for oil within a standard 40.10-acre oil spacing and proration unit comprising Lot 3 (NE/4 NW/4 equivalent) of Section 2, Township 10 South, Range 37 East, NMPM, Lea County, New Mexico, at a standard oil well location 990 feet from the North line and 1800 feet from the West line (Lot 3/Unit C) of said Section 2.

It is our understanding that the Devonian interval tested dry and Marbob intends to plug back up-hole into the Undesignated West Sawyer-San Andres Pool and, pursuant to Rule 4 of the "Special Rules and Regulations for the West Sawyer-San Andres Pool," as promulgated by Division Order No. R-3850, as amended, this location is considered to be unorthodox. Further, Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) of said Section 2 is to be dedicated to said well in order to form a standard 80.10-acre oil spacing and proration unit for this 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 Rule 5 of said special pool rules and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,


Lori Wrotenberry
Director

LW/MES/kv

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