



NEW MEXICO DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF OIL AND GAS

1000 BERNARD DRIVE, SUITE 100
ALBUQUERQUE, NEW MEXICO 87102
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May 14, 1997

Rand Paulson Oil Company, Inc.
c/o J. W. Mulloy Associates, Inc.
Engineering & Consulting
508 W. Wall - Suite 100
Midland, Texas 79701
Attention: Hudson Routh

Re: Application for a DD-177

Dear Mr. Keith:

Reference is made to your application on behalf of the operator, Rand Paulson Oil Company, Inc., dated May 12, 1997 for approval to recompletions Mancoska #1 (Lease Well No. 30-025-33822) located on the surface 209 feet from the North line and 600 feet from the East line (Unit 14) Section 31, Township 14 South, Range 10 East, N3 PM, across the Strawn formation, Lea County, New Mexico.

The Division Director Finds That:

1. The application has been duly filed under the provisions of Rule 111(D) and E of the General Rules and Regulations of the New Mexico Department of Conservation (Division 1) issued by Division Order No. 85-3348 issued by the Department of Conservation in Case 13,274 on June 23, 1996.
2. The subject well was spudded March 2, 1997 and the currently reached total depth, the Lower Pennsylvanian interval tested non-commercial, and the operator now seeks to complete and directionally drill to the southwest into the Strawn formation on the NW 1/4 SE 1/4 (Unit 14) of said Section 31.
3. The Strawn formation within this area is subject to the statewide rules and regulations for a well, as promulgated by Rules 904, 905 and 906 which provides for 40-acre oil spacing and proration units for drilling units, and requires that wells be located no closer than 330 feet to any boundary of such unit.
4. The 40-acre tract comprising the NW 1/4 SE 1/4 (Unit 14) of said Section 31, is indicated