Administrative Order NSL-3870 UMC Petroleum Corporation September 17, 1997 Page 2

APRIL ON TERMOLOGY

Finding Paragraph No. (12)(g), which addresses further Strawn development within UMC's State of New Mexico oil and gas lease No. E07720 which comprises Lots 14 through 16 and the SE/4 of said Section 2.

The geologic interpretation submitted with this application indicates that a well drilled within the S/2 SE/4 of said Section 2 at the proposed unorthodox oil well location will be at a more favorable geologic position within the Undesignated Big Dog-Strawn Pool than a well drilled at a location considered to be standard.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11351 on January 18, 1996.

By the authority granted me under the provisions of RULE 6 of said "Special Pool Rules and Regulations for the South Big Dog-Strawn Pool" and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

legt Death William J. LoMay

Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs New Mexico State Land Office - Santa Fe File: DD-180(H) Case No. 11741