



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Sallsbury
Cabinet Secretary

November 30, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Roden Oil Company
c/o James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4531

Dear Mr. Bruce:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 27, 2000; and (ii) the Division's records in Santa Fe: all concerning Roden Oil Company's ("Roden") request for an unorthodox wildcat Wolfcamp oil well location for its Miro "35" Federal Well No. 1 (API No. 30-025-34897), which was recently drilled to test the Morrow formation underlying a standard 293.64-acre gas spacing and proration unit within the Undesignated Hagood-Pennsylvanian Gas Pool comprising all of irregular Section 35, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, at a standard gas well location 1250 feet from the North line and 1000 feet from the West line (Unit D) of Section 35.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that a total depth of 16,500 feet was reached on July 30, 2000, whereby the Morrow interval tested dry. However, the shallower Wolfcamp interval tested productive for oil and was therefore completed. Pursuant to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, this location is unorthodox for the standard 40-acre oil spacing and proration unit to be dedicated to the Wolfcamp formation comprising the NW/4 NW/4 (Unit D) of Section 35.

Furthermore, all of irregular Sections 33, 34, and 35, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico is a single federal lease (U. S. Government lease No. NM-101610) with common mineral ownership; therefore, there are no adversely effected offsets to the subject 40-acre tract.

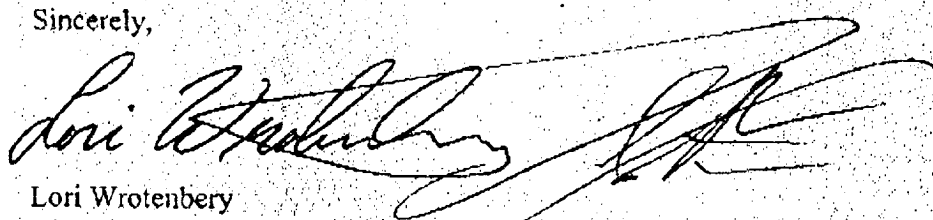
By the authority granted me under the provision of Division Rule 104.F (2), the above-described unorthodox Wolfcamp oil well location is hereby approved.

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Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Please note that in the future, Roden, as a prudent operator, should take all necessary steps to locate wells at a location considered to be standard for all possible zones to be encountered and should be more cognizant of well location requirements for different producing horizons within the immediate area of operations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a horizontal line and a stylized flourish.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad