

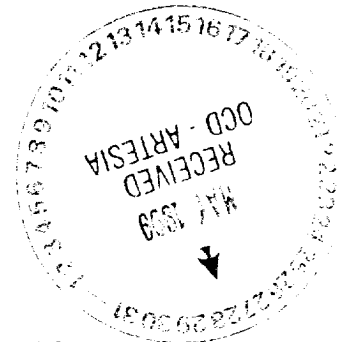


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

May 25, 1999

ARCO Permian  
P. O. Box 1610  
Midland, Texas 79702-1610  
Attention: Laurie Cherry



*Administrative Order NSL-915-B(1)*

Dear Ms. Cherry:

Reference is made to your application dated March 18, 1999 for the amendment of a previously approved order by the New Mexico Oil Conservation Division ("Division") of an unorthodox oil well location by expanding the vertical limits of the provisions in this order to include the potential oil bearing Glorieta and Yeso formations

Division Administrative Order NSL-915, dated January 16, 1978, authorized in part, Atlantic Richfield Company, now ARCO Permian, to drill its Empire Abo Unit "H" Well No. 301 (API No. 30-015-22464) at an unorthodox oil well location within the Empire Abo Unit 150 feet from the South line and 1650 feet from the West line (Unit N) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

By Division Administrative Order NSL-915-B, dated June 19, 1998, ARCO Permian was granted authorization to recomplete this well, redesigned the Washington "33" State Well No. 26, into the Artesia-Queen-Grayburg-San Andres Pool at an unorthodox oil well location within a standard 40-acre oil spacing and proration unit, comprising the SE/4 SW/4 (Unit N) of Section 33.

It is the Division's understanding that both the Glorieta and Yeso intervals will be perforated and, if productive, these intervals will be downhole commingled with Artesia-Queen-Grayburg-San Andres oil production. Pursuant to Division Rule 104.B(1)(b) this location is unorthodox for both the Glorieta and Yeso formations. Further, the SE/4 SW/4 (Unit N) of Section 33, being a standard 40-acre oil spacing and proration unit for wildcat Glorieta/Yeso production, is to be dedicated to this well.

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

By the authority granted me under the provisions of Division Rule 104.F(2) the above-described unorthodox oil well location for ARCO Permian's Washington "33" State Well No. 26 is hereby approved for both the Yeso and Glorieta formations.

All provisions of Division Administrative Order NSL-915-B shall remain in full force and effect until further notice.

Administrative Order NSL-915-B(1)

ARCO Permian

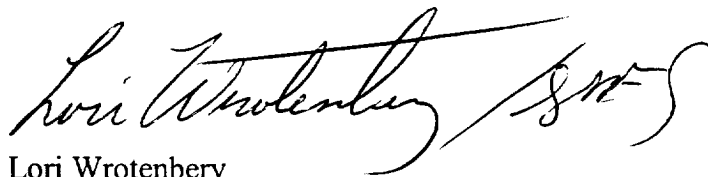
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Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

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

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia ✓  
New Mexico State Land Office - Santa Fe  
Dave Percy, ARCO Permian - Midland, Texas  
File: NSL-915  
NSL-915-B