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

March 26, 1998

ARCO Permian
P. O. Box 1610
Midland, Texas 79702-1610
Attention: Elizabeth A. Casbeer

Administrative Order NSL-915-A

Dear Ms. Casbeer:

Reference is made to your application dated March 5, 1998 for an unorthodox oil well location in both the Artesia Queen-Grayburg-San Andres Pool and Yeso formation for ARCO Permian's existing Washington "33" State Well No. 13 (API No. 30-015-22524), located 1610 feet from the North line and 250 feet from the East line (Unit H) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The SE/4 NE/4 of said Section 33 is to be dedicated to said well in order to form a standard 40-acre oil spacing and proration unit in oil producing formations.

Division records indicate that said well was drilled in 1978 as the Empire Abo Unit "F" Well No. 321 to a total depth of 6,210 feet and was completed within the Empire-Abo Pool at an unorthodox oil well location approved by Division Administrative Order NSL-915, dated January 16, 1978.

It is our understanding that the Abo interval will be properly plugged back and the Queen, Grayburg, San Andres, and Yeso intervals up-hole will be tested.

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.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location for both the Artesia Queen-Grayburg-San Andres Pool and Yeso formation is hereby approved.

That portion of said original Administrative Order NSL-915 approving the unorthodox Empire-Abo oil well location for the Empire Abo Unit "F" Well No. 321 shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenber Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

New Mexico State Land Office - Santa Fe

File: NSL-915 /