



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 13, 1998

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

Administrative Order NSL-999-A

Dear Ms. Cherry:

Reference is made to your application dated June 16, 1998 for an unorthodox oil well location in the Artesia-Queen-Grayburg-San Andres Pool for ARCO Permian's existing Washington "33" State Well No. 15 (API No. 30-015-22822), located 2250 feet from the South line and 235 feet from the East line (Unit I) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The NE/4 SW/4 of Section 33 is to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit in oil producing formations.

Division records indicate that the well was drilled in 1979 as the Empire Abo Unit "G" Well No. 324 to a total depth of 6,370 feet and was completed within the Empire-Abo Pool at an unorthodox oil well location approved by Division Administrative Order NSL-999, as amended.

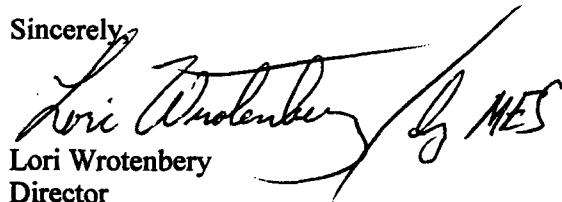
It is our understanding that the Abo interval will be properly plugged back at this time and the shallower Artesia-Queen-Grayburg-San Andres Pool up-hole will be tested.

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 and Division Administrative Order NSL-4060, dated June 19, 1998.

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

That portion of Division Administrative Order NSL-999, as amended, approving the unorthodox Empire-Abo oil well location for the Empire Abo Unit "G" Well No. 324 shall be placed in abeyance until further notice.

Sincerely,



Lori Wrotenberg
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-999
NSL-4060