



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 5, 1989

Phillips Petroleum Company
4001 Penbrook
Room 401
Odessa, TX 79762

Attention: L.M. Sanders
Supervisor, Regulation and Proration

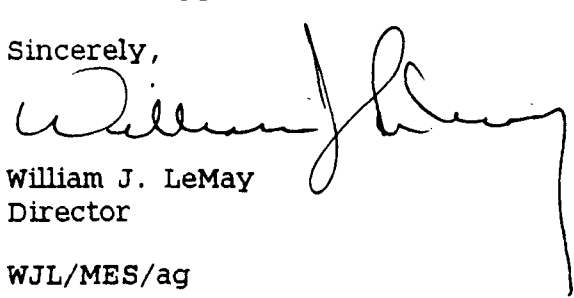
Administrative Order NSL-2663

Dear Mr. Sanders:

Reference is made to your application of May 25, 1989 for a non-standard oil well location to permit the completion of an efficient production/injection pattern within a secondary recovery project for your M.E. Hale Well No. 21 to be located 1000 feet from the South line and 2240 feet from the East line (Unit O) of Section 35, Township 17 South, Range 34 East, NMPM, Vacuum Grayburg San Andres Pool, Phillips Hale-Mable Vacuum Grayburg San Andres Pressure Maintenance Project Area, Lea County, New Mexico. Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 of said Section 35.

By the authority granted me under the provisions of General Rule 104 F(I) and Rule 9 of the Special Rules and Regulations for the Phillips Hale-Mable Vacuum Grayburg San Andres Pressure Maintenance Project as promulgated by Division Order No. R-7103, as amended, the above-described unorthodox oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe