



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

May 14, 1993

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

Phillips Petroleum Company
Attention: L.M. Sanders
4001 Penbrook
Odessa, TX 79762

Administrative Order NSL-3238

Dear Mr. Sanders:

Reference is made to your application dated April 14, 1993 for an unorthodox South Culebra Bluff-Atoka gas well location in an existing standard 320-acre gas spacing and proration unit comprising the W/2 of Section 36, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said spacing unit presently has dedicated thereon the Malaga "C" Well No. 1 located at a standard gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 36.

It is our understanding that pursuant to Division General Rule 104.C.(2) and to the two Division Director's Memorandums dated July 27, 1988 and August 3, 1990 that the Malaga "C" Well No. 1 will either be plugged and abandoned or the Atoka interval will be properly sealed and plugged back to a shallower interval.

By the authority granted me under the provisions of General Rule 104.F.(2), the replacement Atoka gas well to be drilled at the above-referenced unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
NM State Land Office - Santa Fe