STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

March 30, 1995

Plains Petroleum Operating Company 415 West Wall Street - Suite 1000 Midland, Texas 79701

Attention: Dominic J. Bazile

RE: Application for directional drilling and an unorthodox bottomhole oil well location.

E. C. Hill "B" Well No. 13

Unit "O", Section 34, Township 23 South, Range 37 East, NMPM, Teaque-Simpson Pool, Lea County, New Mexico.

Dear Mr. Bazile:

Division General Rule 104.F does not provide the authority to approve such an unorthodox oil well location for geological purposes administratively. This matter will be set for hearing on the next available docket scheduled for May 4, 1995.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Hobbs