

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 25, 1990

Mobil Exploration & Producing U.S., Inc.
P.O. Box 633
Midland, TX 79702

Attention: G.N. Miller

Administrative Order NSL-2814

Dear Mr. Miller:

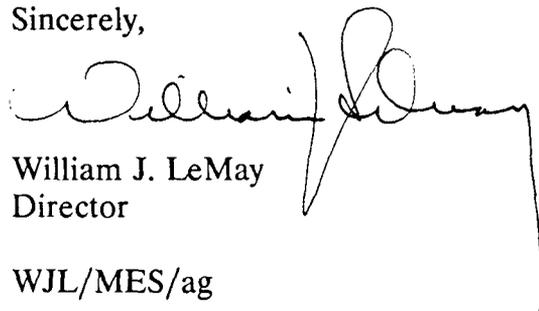
Reference is made to your application dated May 31, 1990 for a non-standard oil well location for your Lovington Deep Yates South Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 36, Township 16 South, Range 35 East, NMPM, South Shoe Bar Devonian Pool, Lea County, New Mexico. The E/2 SE/4 of said Section 36 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said well.

It is our understanding that the subject well was originally permitted to test the Devonian/Ellenburger formation prior to the promulgation of Special Rules and Regulations for the South Shoe Bar Devonian Pool (Division Order No. R-8279, dated August 14, 1986). At that time a 40-acre oil spacing and proration unit, comprising the SE/4 SE/4 of said Section 36, was dedicated to the well and pursuant to the general rules effective at the time was a standard oil well location. On March 23, 1987 the drilling permit for said well was extended by the Hobbs District Office of the Division for a six month period. Said well was spudded on August 19, 1987.

As required by Rule 5 of said Order No. R-8279, all offset operators have been duly notified of this application, also during the required 20-day waiting period, the Division has not received any objection to this application.

Therefore, the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping underline that extends to the right.

William J. LeMay
Director

WJL/MES/ag

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



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GARREY CARRUTHERS
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SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 24, 1990

Mobil Exploration & Producing U.S., Inc.
P.O. Box 633
Midland, TX 79702

Attention: G. N. Miller

Corrected Administrative Order NSL-2814

Dear Mr. Miller:

It appearing to the Division that due to inadvertence, Division Administrative Order NSL-2814, dated June 25, 1990, does not correctly state the intended order of the Division. The unorthodox location for the "Lovington Deep Yates State Well No. 1" is for the "Undesignated South Shoe Bar-Upper Pennsylvanian Pool" and not for the Devonian as indicated in the first paragraph of said order.

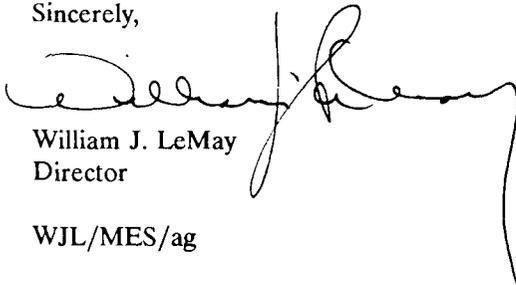
Also, the third and fourth paragraphs of said order shall be amended to read in their entirety as follows:

"It is my understanding that the South Shoe Bar Devonian zone will be properly plugged back and said well will be recompleted to the Undesignated South Shoe Bar-Upper Pennsylvanian Pool, which pursuant to the Special Rules and Regulations as promulgated by Division Order R-8518, as amended, is unorthodox. Further, the E/2 SE/4 of said Section 36 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 5 of said Division Order No. R-8518, the above-described oil well location is hereby approved."

All other provisions of said Order NSL-2814 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

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