



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

October 21, 1992

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ANITA LOCKWOOD  
CABINET SECRETARY

William C. Bahlburg  
14875 Landmark Blvd.  
Suite 216  
Dallas, TX 75240

*Administrative Order NSL-3180(NSP)*

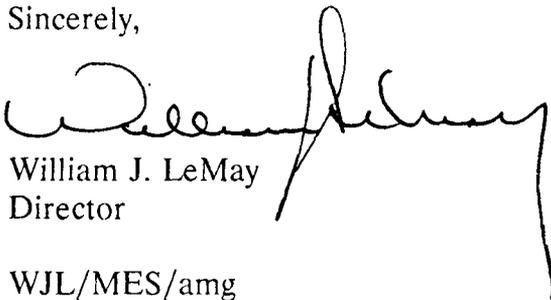
Dear Mr. Bahlburg:

Reference is made to your application dated October 20, 1992 for an unorthodox oil well location in the Undesignated Northeast Lovington-Wolfcamp Pool underlying Lot 1 (NW/4 NW/4 equivalent) of Section 7, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that the existing Christmas Well No. 1, located 1200 feet from the North line and 600 feet from the West line (Unit D) of said Section 7, was recently re-entered and has been completed as an oil well in the lower Wolfcamp formation through perforations at 10,556 feet to 10,566 feet. The subject well was originally drilled in early 1987 to a total depth of 11,750 feet to test the Northeast Lovington-Pennsylvanian Pool. At that time both Lots 1 and 2 (W/2 NW/4 equivalent) of said Section 7 was to be dedicated to said well whereas both the location and unit size of 102.82 acres were considered unorthodox and subsequently approved by Division Order No. R-8382, dated December 31, 1986. The Pennsylvanian interval tested dry and the well was plugged and abandoned.

The subject Wolfcamp location and resulting 51.48-acre spacing and proration unit are both non-standard pursuant to Division General Rule 104.C(1) and 104.H. At this time, the applicant has made proper filing pursuant to Division General Rule 104.F(3) and (4); therefore, the above-described Wolfcamp oil well location and resulting non-standard oil proration unit are hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs