



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

November 22, 1995

**Beach Exploration, Inc.**  
**800 N. Marienfeld, Suite 200**  
**Midland, Texas 79701**

**Attention: Barbara Watson**

*Administrative Order NSL-3601*

Dear Ms. Watson:

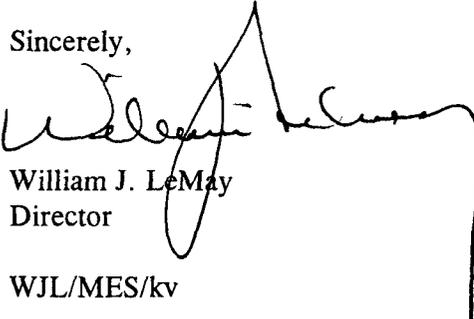
Reference is made to your application dated November 21, 1995 for an unorthodox oil well location for the purpose of completing an efficient production/injection pattern within the Red Lake Unit Penrose Waterflood Project Area, established by Division Order No. R-9453, dated March 12, 1991.

It is our understanding that the proposed Red Lake Unit Well No. 26 is to be drilled 163 feet from the North line and 2118 feet from the East line (Unit B) of Section 36, Township 16 South, Range 29 East, NMPM, East Red Lake Queen-Grayburg Pool, Red Lake Unit Area, Eddy County, New Mexico.

The NW/4 NE/4 of said Section 36 shall be dedicated to said well forming a standard 40-acre oil spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(1) the above-described unorthodox oil well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

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