



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 4, 1996

Stevens & Tull, Inc.
P. O. Box 11005
Midland, Texas 79702
Attention: Jerry A. Weant

Administrative Order NSL-3637

Dear Mr. Weant:

Reference is made to your application dated February 9, 1996, for a non-standard location to test the Atoka formation for the plugged and abandoned State "E" Well No. 1, located 660 feet from the North and West lines (Unit D) of Section 20, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, which was initially drilled in 1965 to a total depth of 11,457 feet and completed in the North Osudo-Morrow Gas Pool under the authority of Division Order No. R-2937, dated July 13, 1965, by Jake L. Hamon (later changed to Hamon Oil Company and then to Hamon Operating Company) as the State E-8913 Com Well No. 1. In 1986 this well was plugged and abandoned.

It is our understanding that Stevens & Tull, Inc. intends to reenter this wellbore and recomplete up-hole to test the Atoka formation for gas. Pursuant to Division General Rules 104.B(1)(a), this location is also unorthodox. Further, should this well be completed as a gas well the N/2 of said Section 20 shall be dedicated thereon to form a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox location is hereby approved.

Further, Division Order No. R-2937, shall be placed in abeyance until further notice.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

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