



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 20, 1997

Sahara Operating Company
P. O. Box 10280
Midland, Texas 79702
Attention: Rob McAlpine

Administrative Order NSL-3907

Dear Mr. McAlpine:

Reference is made to: (i) your original application dated May 5, 1996; (ii) your supplemental geological data dated May 8, 1996; and, (iii) the records of the Division in Santa Fe: all of which refer to Sahara's request for a non-standard oil well location in the Eumont Gas Pool for the State Sims "31" Well No. 1 (API No. 30-025-33432) located 1600 feet from the South line and 1800 feet from the West line (Unit K) of Section 31, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. The NE/4 SW/4 of said Section 31 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

This location, pursuant to **Rule 2(b)2** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170, as amended, is considered to be an unorthodox oil well location.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially oil productive interval of the Seven Rivers formation than a well drilled at a location considered to be standard within the subject 40-acre oil spacing and proration unit.

Further, the SW/4 equivalent of said Section 31 is a single State lease (Lease No. V-04338) in which Sahara Operating Company ("Sahara") is the leasehold operator; therefore, there are no affected offsets to the subject 40-acre tract within the Eumont interval other than Sahara.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By authority granted me under the provisions of **Rule 2(d)** of said special pool rules and Division General Rule 104.F(2) the above-described unorthodox Eumont oil well location of the State Sims "31" Well No. 1 is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

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