July 1, 1998

**ARCO** Permian P. O. Box 1610 Midland, Texas 79702-1610

Laurie Cherry Attention:

NSL - 915.C Rec : 6-22-98 S-3p: 7-13-98 Roleased <u>7-13-98</u>

Administrative Order NSL-915-C

Dear Ms. Cherry:

Reference is made to your application dated June 16, 1998 for an unorthodox oil well location in the Artesia-Oueen-Gravburg-San Andres Pool for ARCO Permian's existing Washington "33" State Well No. 29 (API No. 30-015-22417), located 1050 feet from the South line and 250 feet from the East line (Unit P) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The SE/4 SE/4 of said Section 33 is to be dedicated to said well in order to form a standard 40-acre oil spacing and proration unit in oil producing formations.

Division records indicate that said well was drilled in 1978 as the Empire Abo Unit "H" Well No. 321 to a total depth of 6.378 feet and was completed within the Empire-Abo Pool at an unorthodox oil well location approved by Division Administrative Order NSL-915, dated January 16, 1978.

It is our understanding that the Abo interval will be properly plugged back at this time and the shallower Artesia-Oueen-Grayburg-San Andres Pool up-hole will be tested.

The 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 and Division Administrative Order NSL-4060. dated June 19, 1998.

By the authority granted me under the provisions of Division General Rule 104.F(2), the abovedescribed unorthodox oil well location is hereby approved.

That portion of said original Division Administrative Order NSL-915 approving the unorthodox Empire-Abo oil well location for the Empire Abo Unit "H" Well No. 321 shall be placed in abevance until further notice.

Sincerely,

Lori Wrotenbery Director

## LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia New Mexico State Land Office - Santa Fe File: NSL-915 NSL-4060 Dave Pearcy, ARCO Permian - Midland, Texas