

6/22/98 7/13/98 MS W NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

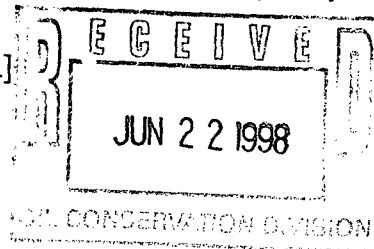
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Laurie Cherry
Print or Type Name

Laurie Cherry
Signature

Reg/Comp. Asst.
Title

6/16/98
Date



ARCO Permian
600 North Marienfeld
Midland TX 79701-4373
PO Box 1610
Midland TX 79702-1610
Telephone 915 688 5200

*File:
915-688-5246*

June 16, 1998

**Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505**

Gentlemen:

Under the provisions of NMOCD Rule 104.F(d), ARCO Permian requests administrative approval for unorthodox location for its Washington "33" State #15, a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #G-324 is 235'FEL and 2250'FSL of Section 33, T17S, R28E, Eddy County, New Mexico. This well was drilled at an approved unorthodox location for the original horizon.

As required, we are submitting a plat showing the subject 40-acre spacing unit with the unorthodox location, a map identifying the adjoining and diagonal encroached-upon leases and wells, and a list of affected parties.

Should you have any questions, please do not hesitate to call Dave Percy at 915-688-5355. Thank you for your assistance in this matter.

Sincerely,

Laurie Cherry

**Laurie Cherry
Regulatory/Compliance Assistant**

:lc

cc: NMOCD, Artesia, New Mexico

Enclosures

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address ARCO PERMIAN P.O.BOX 1610 MIDLAND, TX 79702		² OGRID Number 000990
		³ API Number 30-015-22822
⁴ Property Code 22954	⁵ Property Name WASHINGTON "33" STATE	⁶ Well No. 15

⁷ Surface Location									
UL or lot no. I	Section 33	Township 17S	Range 28E	Lot. Idn	Feet from the 2250	North/South Line SOUTH	Feet from the 235	East/West line EAST	County EDDY

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
⁹ Proposed Pool 1 ARTESIA (Q-G-SA)					¹⁰ Proposed Pool 2				

¹¹ Work Type Code R	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3662
¹⁶ Multiple NO	¹⁷ Proposed Depth 3200	¹⁸ Formation SAN ANDRES	¹⁹ Contractor X-PERT	²⁰ Spud Date 3/1/79

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11	8-5/8	24#	775	700	SURF
7-7/8	5-1/2	15.5	6370	1500	SURF

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

ORIGINALLY DRILLED AND COMPLETED AS THE EMPIRE ABO UNIT G-324 IN 1979.
TD @ 6370'. TESTED ABO @ 6252-6262'. PERFS @ 6002-6206' ADDED IN 1996.
PERF 6002-6262 SQUEEZE AND ADD PERFS 5725-5782' TESTED IN 1998. PROPOSED
TO ABANDON THE ABO AND TEST THE QUEEN, GRAYBURG AND SAN ANDRES. DUMP 35'
CEMENT ON CIBP @5675'. RUN CNL, GAMMA RAY, AND PERF THE Q-G-SA AS
INDICATED BY LOG AND FRAC.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Laurie Cherry*

Printed name: LAURIE CHERRY

Title: REG./COMP. ASST.

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22822	Pool Code	Pool Name ARTESIA (Q-C-SA)
Property Code 22954	Property Name WASHINGTON 33 STATE	Well Number 15
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 3662

Surface Location

UL or lot No. I	Section 33	Township 17 S	Range 28 E	Lot Idn	Feet from the 2250	North/South line SOUTH	Feet from the 235	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Laurie Cherry</i> Signature LAURIE CHERRY Printed Name REG. COMPL ASST. Title 6-16-98 Date</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 3, 1998</p> <p>Date Surveyed Signature Professional Surveyor RONALD J. EDISON 5-4-98 1239 12641 12185</p>				DMCC	



ARCO Permian
600 N. Marienfeld
Midland TX 79701
Post Office Box 1610
Midland TX 79702
Telephone 915 683 5200

June 16, 1998

CERTIFIED RETURN RECEIPT MAIL

Marbob Energy Corp.
P. O. Box 227
Artesia, New Mexico 88211

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCDD for an unorthodox location for Washington "33" State 15 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #G 324 is 235' FEL and 2250' FSL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Sincerely,

Laurie Cherry
Regulatory/Compliance Assistant

:lc

Enclosures



ARCO Permian
600 N. Marientfeld
Midland TX 79701
Post Office Box 1610
Midland TX 79702
Telephone 915 688 5200

June 16, 1998

CERTIFIED RETURN RECEIPT MAIL

Lauretta M. Phillips Estate
C/o Leahy & Sheldon Trust
P. O. Box 539
Los Olivos, California 93441

Ladies and Gentlemen:

This letter will serve as notice that ARCO Permian has requested administrative approval from the NMOCDD for an unorthodox location for Washington "33" State 15 under Rule 104.F. (3), due to geological conditions. It is a recompletion of a previously drilled well in the Empire Abo Unit, to the Artesia (Queen-Grayburg-San Andres) Field. The location for this well, formerly known as the EAU #G 324 is 235' FEL and 2250' FSL of Section 33, T17S, R28E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within 20 days after the application has been received.

Sincerely,

Laurie Cherry
Regulatory/Compliance Assistant

:lc

Enclosures

**OFFSET OPERATORS
WASHINGTON "33" STATE #15**

**Lauretta M. Phillips Estate
C/o Leahy & Sheldon Trust
P. O. Box 539
Los Olivos, California 93441**

**Marbob Energy Corp.
P. O. Box 227
Artesia, New Mexico 88211**

**Geologic and Engineering Discussion for Washington 33 State #15
Unit I of Section 33, T17S, R28E, Eddy County, New Mexico**

ARCO Permian requests administrative approval for unorthodox location for Washington 33 State #15 and #16 in the Artesia (Q-G-SA) Field, both as recompletions of wells drilled to a deeper horizon. Both wellbores are required for geologic reasons, and will be simultaneously dedicated to Unit Letter I of Section 33.

ARCO will require 2 strategically spaced wellspots in each 40-acre tract to recover reserves in the Artesia pool. Wherever possible, our well pattern dictates a wellbore in the NE quadrant and SW quadrant of each 40 acres. Recompletion of these Empire (Abo) wellbores, which are 882 ft. apart, will prevent wasteful drilling .

At a future date, we anticipate a waterflood could be initiated to effectively sweep both dolomite and sand reservoirs. Optimum results can only be achieved with good spacing of the primary wells. Core results show the Queen-Grayburg-San Andres "sand" pays should yield 130 MBO per 40 acres, but the modest 35 MBO recovered from "sand" wells on and surrounding our lease indicates that 10-20 acre drainage for these pays is reasonable.

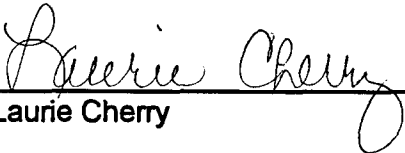
We have therefore determined that two wells per 40 acres, with 700 ft. minimum between wells, will effectively drain this reservoir and protect correlative rights. Where inexpensive recompletions are available, 550 ft. between wells will avoid wasteful drilling. "Ten-acre" locations in the same half of any 40-acre unit should be avoided until waterflood startup. With current technology, the drainage radius for these San Andres wells is probably 10 acres, so we do not expect to be affecting any offset owner's correlative rights with these unorthodox locations.

STATE OF TEXAS

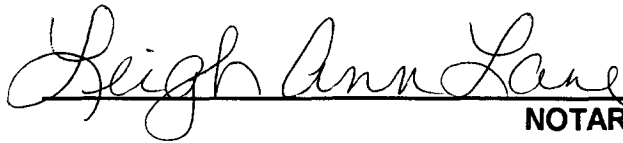
COUNTY OF MIDLAND

BEFORE ME, the undersigned authority on this day personally appeared Laurie Cherry, a Regulatory Compliance Assistant with ARCO Permian, who being by me duly sworn, deposes and states that the persons listed on the foregoing attached list has been sent a copy on June 16, 1998, Oil Conservation Division Form C-101 (and supporting documentation) entitled, "Application For Permit to Drill or Deepen" for the Washington "33" State #15.

ARCO Permian


Laurie Cherry

SUBSCRIBED AND SWORN TO before me on June 16, 1998, to certify which witness my hand and seal of office.



NOTARY PUBLIC, STATE OF TEXAS



LEIGH ANN LANE

Notary Public, State of Texas

My Commission Expires: 12-12-2000

Section 33 (below)

T17S R28E

27

29
KERSEY
CO.

Mack Chase

CONOCO
FINA

Arco, et al

MARBOB
Pen-roo
(V-GSN 11-30')

MARBOB
ALTURA
To 3500'

KERSEY

E

32

F

G

KERSEY

H

Castle
& Wigzell

Marbob

Amesbury
(final)

0 330' 660'

1" = 1000'
660

- ▽ San Andres recomplete coordinates
- + San Andres Locations
- Primary Veso Locations
- R Recomplete alternative in Veso
- Possible / corrected Veso TD

20P 2/19/78



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

December 12, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79702

Attention: J. L. Tweed

Administrative Order NSL-999

Gentlemen:

Reference is made to your application for 46 non-standard locations for your ARCO-Empire Abo Unit Wells as per the attached list, Eddy County, New Mexico.

By authority granted me under the provisions of Rule 14 of Order No. R-4549-B, the 46 listed non-standard locations are hereby approved.

Very truly yours,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Artesia
Oil & Gas Division - State Land Office - Santa Fe

EMPIRE ABO UNIT WELLS

WELL NAME	LOCATION	SEC.	TWP-S	RANGE-E
E-362	1200' FNL and 1200' FEL	34	17	28
E-363	650' FNL and 120' FEL	34	17	28
E-374	220' FNL and 700' FWL	35	17	28
E-383	1190' FNL and 1910' FWL	35	17	28
E-384	600' FNL and 1400' FWL	35	17	28
E-393	1100' FNL and 2250' FEL	35	17	28
E-394	1000' FNL and 1600' FEL	35	17	28
E-395	75' FNL and 1820' FEL	35	17	28
F-334	1700' FNL and 620' FWL	34	17	28
F-335	2250' FNL and 570' FWL	34	17	28
F-342	1450' FNL and 1900' FWL	34	17	28
F-343	2300' FNL and 1675' FWL	34	17	28
F-354	1850' FNL and 2550' FEL	34	17	28
F-363	2250' FNL and 1250' FEL	34	17	28
F-373	1820' FNL and 150' FWL	35	17	28
F-374	2525' FNL and 520' FWL	35	17	28
F-375	1780' FNL and 1175' FWL	35	17	28
F-376	1335' FNL and 700' FWL	35	17	28
F-382	2400' FNL and 1600' FWL	35	17	28
F-383	1600' FNL and 2350' FWL	35	17	28
F-391	1545' FNL and 1625' FEL	35	17	28
G-291	2000' FSL and 1200' FWL	33	17	28
G-314	1450' FSL and 2000' FEL	33	17	28
G-315	1900' FSL and 1450' FEL	33	17	28
G-324	2250' FSL and 235' FEL	33	17	28
G-334	2400' FSL and 500' FWL	34	17	28
G-352	2200' FSL and 1450' FEL	34	17	28
G-353	1420' FSL and 2050' FEL	34	17	28
G-361	2400' FSL and 300' FEL	34	17	28
H-341	1200' FSL and 2500' FWL	34	17	28
I-292	485' FNL and 1070' FWL	4	18	28
J-235	1750' FNL and 1600' FEL	6	18	28
K-142	1700' FSL and 1400' FWL	2	18	27
K-143	1820' FSL and 2550' FWL	2	18	27
K-161	1310' FSL and 590' FEL	2	18	27
L-122	100' FSL and 430' FEL	3	18	27
L-123	660' FSL and 250' FEL	3	18	27
L-134	10' FSL and 640' FWL	2	18	27
L-155	1040' FSL and 2025' FEL	2	18	27
L-156	600' FSL and 1330' FEL	2	18	27
L-171	670' FSL and 300' FWL	1	18	27
L-191	1120' FSL and 1440' FEL	1	18	27
M-123	1050' FNL and 100' FEL	10	18	27
M-133	450' FNL and 1175' FWL	11	18	27
M-141	225' FNL and 2280' FWL	11	18	27
M-153	200' FNL and 1925' FEL	11	18	27



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

OIL CONSERVATION DIVISION

ENGINEERING BUREAU MEMORANDUM

TO: Tim Gum, Supervisor - OCD District II
Mae Morgan - OCD, Artesia
Dave Percy - ARCO Permian, Midland, Texas

FROM: Michael E. Stogner, Chief Hearing Examiner/Engineer

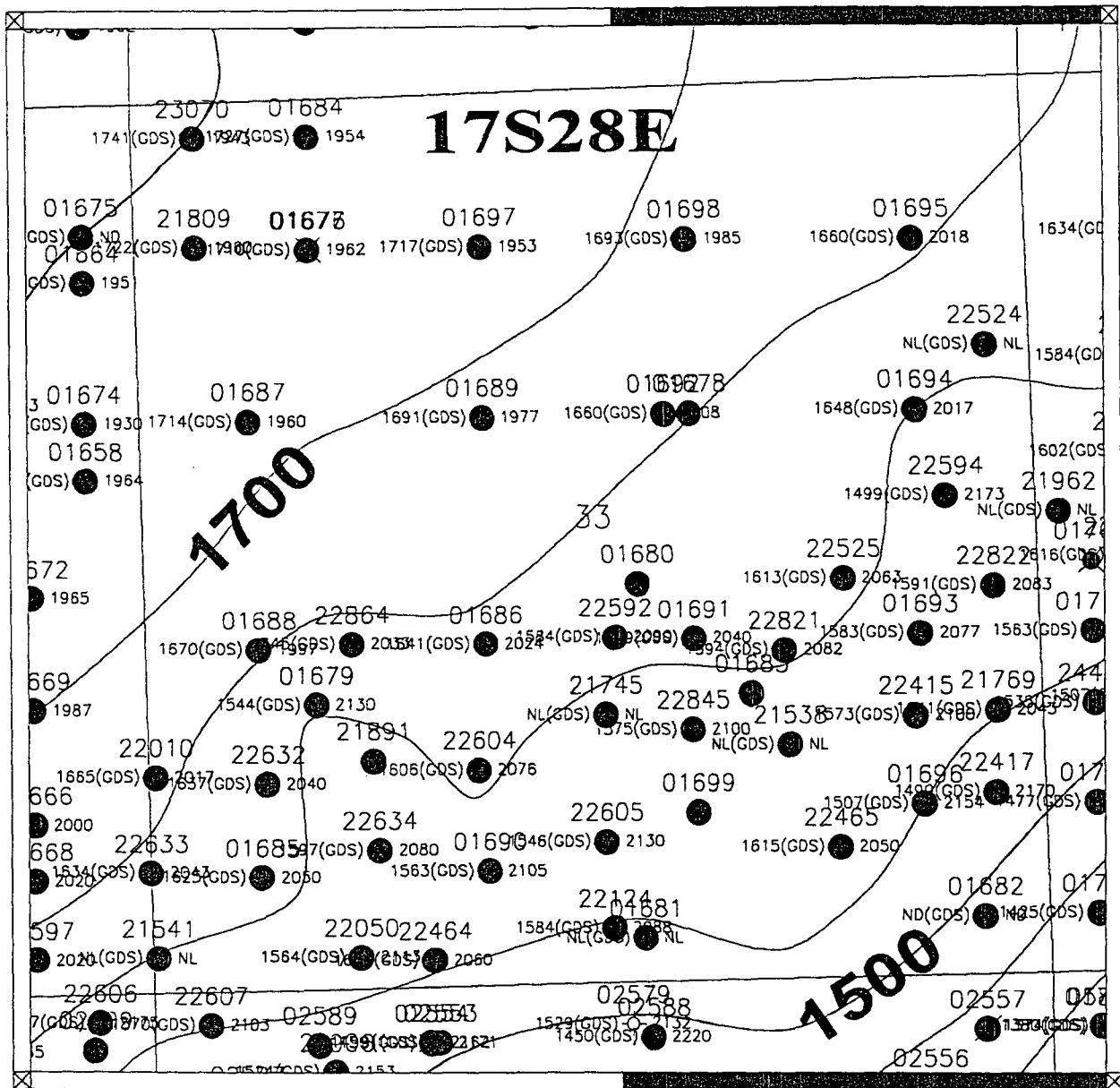
SUBJECT: Division Administrative Order NSL-4060

DATE: July 1, 1998

Please note that any future unorthodox oil well locations to the Artesia-Queen-Grayburg-San Andres Pool within ARCO's Washington "33" State lease comprising the NE/4, NE/4 NW/4, S/2 NW/4, and S/2 of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico are to be administered in the same manner as wells within waterflood projects.

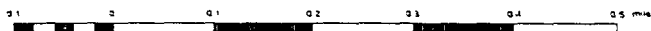
Call me at (505) 827-8185 if there are any questions.

cc: File: NSL-4060



ARCO PERMIAN		
EDDY CO NM		
EMPIRE ABO		
SNDR STRUCTURE C.I.: 50'		
OPERATOR	EDDY CO OIL	4/2/98
OWNER	Scale 1:12000	EMPIRE

Scale 1:12000.





**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

June 19, 1998

**ARCO Permian
P. O. Box 1610
Midland, Texas 79702-1610
Attention: Elizabeth A. Casbeer**

Administrative Order NSL-4060

Dear Ms. Casbeer:

Reference is made to: (i) your applications dated April 29, May 12, May 20, June 3, and June 16, 1998 for several unorthodox oil well locations in the Artesia-Queen-Grayburg-San Andres Pool within ARCO Permian's ("ARCO") Washington "33" State Lease in Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; (ii) the records of the Division in Santa Fe including the files on Division Administrative Orders NSL-915-A, NSL-915-B, NSL-4003, NSL-4007, NSL-4035, and NSL-4036; and (iii) a telephone conversation between David Percy with ARCO in Midland and Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") on Monday, June 18, 1998.

The Division Director Finds That:

- (1) ARCO is the owner and operator of the Washington "33" State Lease, which comprises the following described 600 acres, more or less, that comprise a portion of New Mexico State Land Office Lease No. X-00647:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 33: NE/4, NE/4 NW/4, S/2 NW/4, and S/2;

- (2) The Artesia-Queen-Grayburg-San Andres Pool underlying this area is subject to the statewide rules for oil wells, as set forth in Division Rule 104.C(1), which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of such a unit;
- (3) All mineral interests are common throughout this lease;
- (4) The application has been duly filed under the provisions of Division Rule 104.F;
- (5) Approval of the above referenced applications is in the best interest of conservation, will serve to prevent waste, protects correlative rights, exhibits sound engineering principles, and will allow ARCO to develop the Artesia-Queen-Grayburg-San Andres Pool with infill wells in order to recover additional reserves that might not otherwise be produced; and
- (6) A procedure that allows ARCO to include additional Artesia-Queen-Grayburg-San Andres oil wells as needed within its Washington "33" State at locations that are unorthodox under Division Rule 104.C(1)(a) without further administrative review by the Director should be

adopted, provided that any such unorthodox location within the Washington "33" State Lease is no closer than the required minimum orthodox distance (330 feet) to the outer boundary of the lease nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

It Is Therefore Ordered That:

(1) By the authority granted me under the provisions of Division Rule 104.F(2), ARCO Permian ("ARCO") is hereby authorized to recompleate five existing wells and drill two additional wells at unorthodox oil well locations in the Artesia-Queen-Grayburg-San Andres Pool within its Washington "33" State Lease in Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, as follows:

<i>Well Name and No.</i>	<i>API Number</i>	<i>Footage Location</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
<i>Washington "33" State Well No. 16 (formerly the Empire Abo Unit "G" Well No. 323)</i>	<i>30-015-22415</i>	<i>1500' FSL - 700' FEL</i>	<i>I</i>	<i>NE/4 SE/4</i>
<i>Washington "33" State Well No. 17 (formerly the Empire Abo Unit "G" Well No. 315)</i>	<i>30-015-22821</i>	<i>1900' FSL & 1450' FEL</i>	<i>J</i>	<i>NW/4 SE/4</i>
<i>Washington "33" State Well No. 18 (formerly the Empire Abo Unit "G" Well No. 312)</i>	<i>30-015-21745</i>	<i>1550' FSL & 2511' FEL</i>	<i>J</i>	<i>NW/4 SE/4</i>
<i>Washington "33" State Well No. 19 (new drill)</i>	<i>NA</i>	<i>2360' FSL - 2165' FWL</i>	<i>K</i>	<i>NE/4 SW/4</i>
<i>Washington "33" State Well No. 23 (new drill)</i>	<i>NA</i>	<i>975' FSL - 1060' FWL</i>	<i>M</i>	<i>SW/4 SW/4</i>
<i>Washington "33" State Well No. 27 (formerly the Empire Abo Unit "H" Well No. 312)</i>	<i>30-015-22605</i>	<i>815 FSL & 2525' FEL</i>	<i>O</i>	<i>SW/4 SE/4</i>
<i>Washington "33" State Well No. 30 (formerly the Empire Abo Unit "H" Well No. 322)</i>	<i>30-015-22465</i>	<i>750' FSL & 1150' FEL</i>	<i>P</i>	<i>SE/4 SE/4</i>

It Is Further Ordered That:

(2) Within the following described 600 acres, known as the Washington "33" State Lease, ARCO is hereby authorized to locate wells within the Artesia-Queen-Grayburg-San Andres Pool that are

unorthodox based on the well location requirements of Division Rule 104.C(1)(a), provided that any such unorthodox location is no closer than the required minimum orthodox distance (330 feet) to the outer boundary of the Washington "33" Lease nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 33: NE/4, NE/4 NW/4, S/2 NW/4, and S/2;

(3) Any unorthodox location authorized by Ordering Paragraph (2) shall require the submission of a Division Form C-102, in accordance with Division Rules 1101 and 1102, and the approval of the Supervisor of the Division's District Office in Artesia. The Form C-102 for any such well shall include the following additional information: (i) the boundary of the Washington "33" State Lease must be outlined; (ii) the designated 40 acres to be dedicated to the well must be highlighted or outlined; (iii) all other wells within the Artesia-Queen-Grayburg-San Andres Pool that are dedicated to this 40-acre tract must be identified and described; and, (iv) this administrative order (NSL-4060) must be referenced.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Dave Percy, ARCO - Midland, Texas
William F. Carr, Legal Counsel for ARCO - Santa Fe