STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

ADIIC EDES

January 25, 1994

Amerada Hess Corporation P.O. Drawer "D" Monument, NM 88265

Attention: David Ricks

Administrative Order NSL-3341

Dear Mr. Ricks:

Reference is made to your application dated January 20, 1994 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the North Monument Grayburg-San Andres Unit Waterflood Project Area, established by Division Order No. R-9596, dated October 1, 1991.

It is our understanding that the proposed North Monument Grayburg-San Andres Unit, Block 18 Well No. 28 is to be drilled 2622 feet from the North line and 1338 feet from the East line (Unit G) of Section 2, Township 20 South, Range 36 East, NMPM, Eunice Monument Grayburg San Andres Pool, North Monument Grayburg San Andres Unit Area, Lea County, New Mexico.

Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of said Section 2, which is currently dedicated to the North Monument Grayburg-San Andres Unit, Block 18 Well No. 7, located at a standard oil well location 1980 feet from the North and East lines of said Section 2.

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

Sincerely, William J. LeMay Director WJL/MES/ag

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