



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 6, 1996

John L. Cox
P.O. Box 2217
Midland, Texas 79702-2217
Attention: Martha Wittenbach

Administrative Order NSL-3631-A

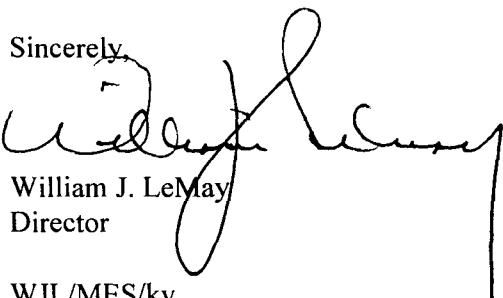
Dear Ms. Wittenbach:

Reference is made to your application dated May 1, 1996, for a non-standard oil well location in the Hightower-Permo Pennsylvanian Pool for your existing Phillips "26" State Well No. 1 (API No. 30-025-33305), which was drilled in March, 1996 to a total depth of 10,095 feet in order to test the Hightower-Devonian Pool at a previously approved non-standard gas well location (Division Administrative Order NSL-3631, dated February 21, 1996) 940 feet from the North line and 2650 feet from the East line (Unit C) of Section 26, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico.

It is our understanding that on April 11, 1996 said well was completed in the Hightower-Permo Pennsylvanian Pool with perforations from 8,654 feet to 8,706 feet, which pursuant to Division General Rule 104.C(1)(a), is also unorthodox. Further, the NE/4 NW/4 of said Section 26 shall be dedicated to the well forming a standard 40-acre oil spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission ("Commission") in Case 11,351 on January 18, 1996, the above-described unorthodox Hightower-Perm Pennsylvanian oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe
File: NSL-3631