



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

April 19, 1996

ARCO Permian
P. O. Box 1610
Midland, Texas 79702
Attention: David B. Percy

Administrative Order NSL-3660

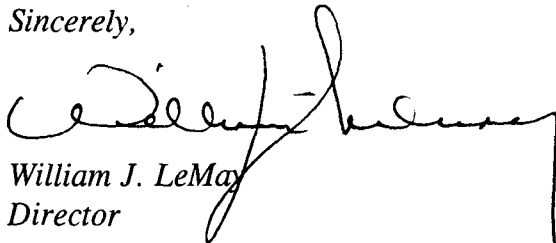
Dear Mr. Percy:

Reference is made to your application dated March 29, 1996 for approval to drill the Dinah "23" Federal Com Well No. 1 at an unorthodox gas well location to test the Morrow formation 1077 feet from the South line and 660 feet from the East line (Unit M) of Section 23, Township 17 South, Range 28 East, NMPM, Undesignated South Empire-Morrow Gas Pool or Undesignated Aid-Morrow Gas Pool, Eddy County, New Mexico. The W/2 of said Section 23 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit.

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 ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad