



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

July 15, 1997

Rand Paulson Oil Company, Inc.
4950 N. O'Connor Blvd.
Suite 270
Irving, Texas 75062
Attn: R.A. Wiesner

Administrative Order NSL-3835

Dear Mr. Wiesner:

Reference is made to your application dated June 18, 1997, for approval of an unorthodox oil well location in the Undesignated High Plains-Permo Pennsylvanian Pool for your existing Estacado "27" State Well No. 1, (API No. 30-025-33849), which was drilled earlier this year to a total depth ("TD") of 10,639 feet in order to test the Atoka formation for gas production within the standard 320-acre gas spacing and proration unit comprising the S/2 of Section 27, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico at a standard gas well location 1650 feet from the South line and 2125 feet from the West line (Unit K) of Section 27.

It is our understanding that said well has been completed in the Wolfcamp interval of the Undesignated High Plains-Permo Pennsylvanian Pool, which pursuant to **Rule 4** of the "*Special Rules and Regulations of the High Plains-Permo Pennsylvanian Pool*", as promulgated by Division Order No. R-2874, as amended, is unorthodox. Further, the SW/4 of said Section 27 is to be dedicated to said well to form a standard 160-acre oil spacing and proration unit for said pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules & Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case No. 11351 on January 18, 1996.

By the authority granted me under the provisions of said special pool rules and Division General Rule 104.F(2), the above-described unorthodox 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