



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 25, 1999

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

Administrative Order NSL-4003-A

Dear Ms. Casbeer:

Reference is made to your application dated August 4, 1998 for the amendment of a previously approved order by the New Mexico Oil Conservation Division ("Division") of an unorthodox oil well location by expanding the vertical limits of the provisions in this order to include the potential oil bearing Glorieta and Yeso formations

Division Administrative Order NSL-4003, dated April 14, 1998, authorized ARCO Permian to drill its Washington "33" State Well No. 12 (**API No. 30-015-30348**) at an unorthodox oil well location within the Artesia-Queen-Grayburg-San Andres Pool 2432 feet from the North line and 2270 feet from the East line (Unit G) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, whereby the SW/4 NE/4 of Section 33 is to be dedicated in order to form a standard 40-acre oil spacing and proration unit for this pool.

It is the Division's understanding that both the Glorieta and Yeso intervals will be perforated and, if productive, these intervals will be downhole commingled with Artesia-Queen-Grayburg-San Andres oil production. Pursuant to Division Rule 104.B(1)(b) this location is unorthodox for both the Glorieta and Yeso formations. Further, the SW/4 NE/4 (Unit G) of Section 33, being a standard 40-acre oil spacing and proration unit for wildcat Glorieta/Yeso production, is to be dedicated to this well.

As indicated in this application and in the previous administrative order, the NE/4, NE/4 NW/4, S/2 NW/4, and S/2 of said Section 33 is a single State lease (New Mexico State Land Office Lease No. X-00647) in which ARCO Permian is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than ARCO Permian.

The subject request has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2) the above-described unorthodox oil well location for ARCO Permian's Washington "33" State Well No. 12 is hereby approved for both the Yeso and Glorieta formations.

All provisions of Division Administrative Order NSL-4003 shall remain in full force and

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effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized set of initials, possibly "LW/MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Dave Percy, ARCO Permian - Midland, Texas
File: NSL-4003