



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 19, 1999

David H. Arrington Oil & Gas, Inc.
P. O. Box 2071
Midland, Texas 79702
Attention: Bill Baker, Jr.

Telefax No. (915) 682-4139

Administrative Order NSL-4236

Dear Mr. Baker:

Reference is made to your application dated March 8, 1999 for David H. Arrington Oil & Gas, Inc. ("Arrington") to drill its proposed Irresistible Well No. 1 to test the Wolfcamp formation at an unorthodox oil well location 1351 feet from the North line and 696 feet from the West line (Unit E) of Section 33, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico. The SW/4 NW/4 of Section 33 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit.

The geologic interpretation submitted with this application, based on 3-D seismic data, indicates that a well drilled at the proposed unorthodox oil well location should enable Arrington to intersect the potentially productive lower Wolfcamp interval at a more structural advantageous position than a well drilled at a location considered to be standard within the subject 40-acre unit.

Further, the W/2 NE/4, NW/4, N/2 SW/4, and NW/4 SE/4 of Section 33 is subject to a single fee lease agreement in which Arrington is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than Arrington.

The application 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 is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs