

May 18, 1998

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

Administrative Order NSL-4035

Dear Ms. Casbeer:

Reference is made to your application dated April 14, 1998, for an unorthodox oil well location in the Artesia-Queen-Grayburg-San Andres Pool for your proposed Washington "33" State Well No. 3 to be drilled 260 feet from the North line and 1550 feet from the East line (Unit B) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The NW/4 NE/4 of said Section 33 is to be dedicated to said well in order to form a standard 40-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 and Regulations of the New Mexico Oil Conservation Division ("Division").

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

Sincerely,

rotenberg Lori Wrotenberv

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia New Mexico State Land Office - Santa Fe