



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 14, 1998

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REGULATORY

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

Administrative Order NSL-4003

Dear Ms. Casbeer:

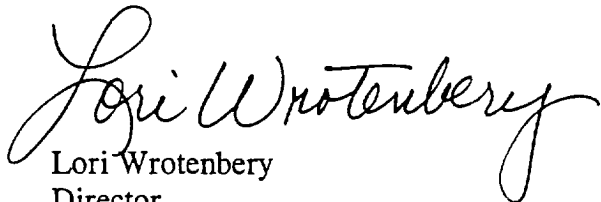
Reference is made to your application dated March 31, 1998 for an unorthodox oil well location in the Artesia Queen-Grayburg-San Andres Pool for the proposed Washington "33" State Well No. 12 to be drilled 2432 feet from the North line and 2270 feet from the East line (Unit G) of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The SW/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.

Further, the NE/4, NE/4 NW/4, S/2 NW/4 and S/2 of said Section 33 compose a single State lease (New Mexico State Land Office Lease No. X-00647) in which ARCO Permian ("ARCO") is the leasehold operator; therefore, there are no affected offsets to the subject 40-acre tract within the Grayburg/San Andres interval other than ARCO.

The subject 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,


Lori Wrotenbery
Director

LW/MES/kv

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

orig: Vaughn - M1019
cc: D. Peary - M1023
Murrish - EUL
Cherry