



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

PBR Regulatory Section

June 19, 1997

JUN 27 1997

RECEIVED

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attn: Larry M. Sanders

Administrative Order NSL-3807

Dear Mr. Sanders:

Reference is made to your application dated June 13, 1997 for an unorthodox gas well location in the Undesignated Grayburg-Morrow Gas Pool for the proposed Grayburg Deep Unit Well No. 14. Said well to be drilled 868 feet from the North line and 1062 feet from the West line (Unit D) of Section 25, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

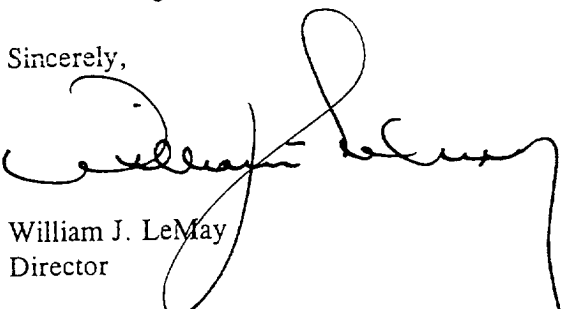
The N/2 of said Section 25 being a standard 320-acre gas spacing and proration unit for said pool is to be dedicated to said well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad