



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 4, 1989

Phillips Petroleum Company
4001 Penbrook
Room 401
Odessa, TX 79762

Attention: L.M. Sanders
Supervisor, Regulation and Proration

Attention:

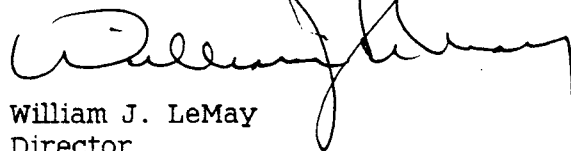
Administrative Order NSL-2612(SD)

Dear Mr. Sanders:

Reference is made to your application of October 24, 1988 for a non-standard oil well location for your Keely "C" Federal Well No. 1 to be located 330 feet from the South line and 660 feet from the East line (Unit P) of Section 24, Township 17 South, Range 29 East, NMPM, Grayburg Jackson (SR-Q-Gb-S/A) Pool, Burch-Keely Waterflood Project, Eddy County, New Mexico. The SE/4 SE/4 of said Section 24, forming a standard 40-acre oil spacing and proration unit in said pool, shall be simultaneously dedicated to said well and to the Keely "C" Federal Well No. 4 located at a standard oil well location 660 feet from the South and East lines of said Section 24.

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

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Roswell

REMARKS: This application is necessitated because the second well is closer than 330 feet from the nearest well also producing from the subject pool (see General Rule 104.C.(I)).