STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

November 10, 1993

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

Xeric Oil and Gas Corporation P.O. Box 51311 Midland, TX 79710-1311

Attention: Randall Capps

Administrative Order NSL-3330

Dear Mr. Capps:

Reference is made to your application dated October 26, 1993 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the (Tenneco) Mesa Queen Unit Waterflood Project Area, established by Division Order No. R-3444, dated July 3, 1968.

It is our understanding that the proposed Mesa Queen Unit Well No. 36 is to be drilled 1710 feet from the South line and 15 feet from the West line (Unit L) of Section 16, Township 16 South, Range 32 East, NMPM, Mesa Queen Pool, Mesa Queen Unit Area, Lea County, New Mexico.

Said well to be dedicated to a standard 40-acre oil spacing and proration unit comprising the NW/4 SW/4 of said Section 16.

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. LeMa

Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs

NM State Land Office - Santa Fe