



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 13, 1997

Plains Petroleum Operating Company
415 West Wall Street - Suite 1000
Midland, Texas 79701
Attention: James R. Sutherland

Administrative Order NSL-3774

Dear Mr. Sutherland:

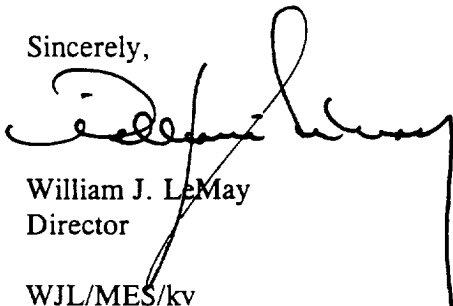
Reference is made to the Division's files on Administrative Order Nos. NSL-3683 and NSL-3399 and to your application dated February 14, 1997 for an unorthodox Teague-Bliebry oil well location for your proposed Baylus Cade Federal Well No. 11 to be drilled 1724 feet from the South line and 1584 feet from the West line (Unit K) of Section 35, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Devonian formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the NE/4 SW/4 of said Section 35.

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 oil well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-3683
NSL-3399