



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 15, 1997

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: Chester Kaup

Administrative Order NSL-3866

Dear Mr. Kaup:

Reference is made to the following: (i) Mr. C. Wade Howard's original application to the Division, dated August 13, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated September 4, 1997; and, (iii) your response by letter dated September 8, 1997; and, (vi) the records of the Division in Santa Fe: all concerning Texaco Exploration and Production Inc.'s request for an unorthodox oil well location in the Southwest Teague Glorieta-Upper Paddock Pool for its proposed F. B. Davis Well No. 6 (API No. 30-025-34105) to be drilled 510 feet from the North line and 1350 feet from the East line (Unit B) of Section 8, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, whereby the NW/4 NE/4 of said Section 8 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

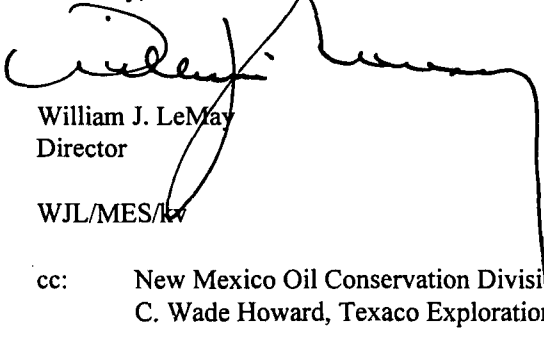
The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the productive interval of the subject pool than a well drilled at a location considered to be standard within the subject 40-acre oil spacing and proration unit.

Further, the NE/4 and E/2 NW/4 of said Section 8 is a single fee lease in which Texaco Exploration and Production, Inc. ("Texaco") is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Texaco.

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").

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: New Mexico Oil Conservation Division - Hobbs
C. Wade Howard, Texaco Exploration and Production Inc. - Denver, Colorado