

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

August 13, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RECEIVED

AUG 13 1996

Oil Conservation Division

Re: *Application of Texaco Exploration & Production Inc. for Administrative Approval of an Unorthodox Well Location for its E. E. Blinebry "A" Com NCT-1 No. 4 Well, 1870 feet from the South line and 990 feet from the West line of Section 31, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico*

Dear Mr. LeMay:

Texaco Exploration & Production, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox well location for its E. E. Blinebry "A" Com NCT-1 No. 4 Well drilled at a location 1870 feet from the South line and 990 feet from the West line of Section 31, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Attached hereto as Exhibit A is a plat showing the subject spacing unit, the well location, the offsetting wells and the diagonal and adjoining spacing units.

Prior to drilling this well Texaco was concerned about this location because of the unusual shape of the spacing unit to be dedicated thereto. Accordingly, Texaco contacted the Oil Conservation Division's District Office in Hobbs, New Mexico about this location and was advised by the District Office that the location would be considered standard.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources

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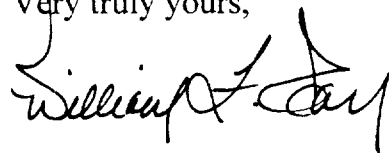
The location is unorthodox because this proration unit contains 358.96 acres including the S/2 SW/4 of Section 32 and under the Special Rules for the Jalmat Gas Pool, should be set back 990 feet from the outer boundary of the spacing unit. Under new Rule 104, the parties affected by this application are Doyle Hartman, Oil Operator and Amerada Hess Corporation.

On this date, a copy of this application, including the plat described above, was provided to each of the affected parties as required by Division Rule 104 F (4) by certified mail advising each that if they have an objection to this location they must file an objection in writing with the Division's Santa Fe office within twenty days from the date this notice was mailed.

Due to the unusual circumstances which have resulted in this well being drilled at this location, Texaco requests that, if no objection is received within twenty days, the application be approved. If administrative approval is unavailable in this case, Texaco requests that Case 11574 be readvertised to provide that IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT and an order entered based upon the information contained herein.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

Attorney for Texaco Exploration and Production, Inc.

Enclosures

cc: Mr. Ron Lanning

EXHIBIT A