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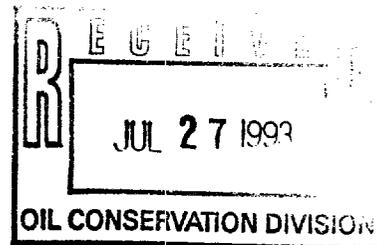
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July 27, 1993

HAND-DELIVERED



William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 10798

Re: Application of Texaco Exploration and Production, Inc. to Authorize Expansion of a Portion of its Cooper Jal Unit Waterflood Project and Qualify Said Expansion for the Recovered Oil Tax Rate Pursuant to the New Mexico Enhanced Oil Recovery Act, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Texaco Exploration and Production, Inc. in the above-referenced matter. This case has been included on the Examiner hearing docket for August 12, 1993.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive, flowing style.

WILLIAM F. CARR

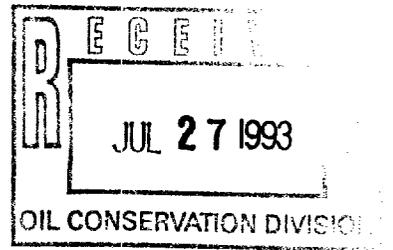
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Enclosures

cc: Mr. Jim Ohlms (w/enclosure)
Hobbs District Office (w/enclosure)



July 23, 1993



William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Post Office Box 2088
Santa Fe, New Mexico 87504

Case 10798

**Re: Application of Texaco Exploration and Production Inc. for
Enhanced Oil Recovery Project Qualification for the Recovered Oil Tax
Rate for a Portion of the Cooper Jal Unit, Jalmat and Langlie-Mattix
Pools, Lea County, New Mexico**

Dear Mr. LeMay:

Texaco Exploration and Production Inc. [TEPI] hereby makes application to qualify a portion of the Cooper Jal Unit for the recovered oil tax rate as authorized by the Enhanced Oil Recovery Act. TEPI plans to commence infill drilling, recompletions, and conversions to redesign the waterflood pattern and is making application pursuant to the rules promulgated by Commission Order No. R-9708 entered on August 27, 1992.

In accordance with Order No. R-9789, TEPI provides the following information:

a. Operator's name and address:

Texaco Exploration and Production Inc.
Post Office Box 3109
Midland, Texas 79702

b. Description of project area:

1. A plat outlining the project area is attached hereto as Exhibit "A".

William J. LeMay, Director

Application of TEPI

July 23, 1993

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2. Description of project area:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: S/2
Section 18: SW/4 SW/4
Section 23 SE/4 S/2
Section 24: All
Section 25: N/2
Section 26: NE/4 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 19: W/2
Section 30: NW/4

3. Total acres in project area: 1920 acres, more or less

4. Name of the subject Pool and formation:

Jalmat Pool [Tansill, Yates, and Seven Rivers formations]
Langlie-Mattix Pool [bottom 250' of Seven Rivers, and Queen formations]

c. Status of operations in the project area:

The Cooper Jal Unit was approved by Oil Conservation Division Order No. R-4018 dated August 25, 1970, and the Unit became effective October 1, 1970.

d. Method of recovery to be used:

1. Injection fluids: water
2. The Langlie-Mattix and Jalmat Pool waterfloods were approved by Oil Conservation Division Orders No. R-4019 and R-4020 dated August 25, 1970.

e. Description of project:

1. List of producing wells: Exhibit "B" attached hereto
2. List of injection wells: Exhibit "B" attached hereto

3. Capital cost of additional facilities: \$8,800,000
4. Total project costs: \$19,000,000
5. Estimated total value of the additional production that will be recovered as a result of the Expanded Use Area: An additional 3.2 million barrels valued at \$60,000,000.
6. Anticipated dated for commencement of injection: October 1, 1993
7. Type of fluid to be injected and the anticipated volumes: Water will be injected at an anticipated daily rate of 15,000 barrels in the project area.
8. Explanation of changes in technology and additional geographic area:

The project entails a redevelopment of the Jalmat and Langlie-Mattix Pools to 20 acre well spacing with 40 acre, 5-spot waterflood patterns. The patterns are redesigned in the project area to maximize wellbore usage through dual completions. The current Jalmat and Langlie-Mattix 80 acre, 5-spot patterns are not concurrent [the Jalmat has a pattern and the Langlie-Mattix has a different pattern]. The two patterns will come into alignment with a single pattern through the implementation of infill drilling, wellbore recompletions, conversions to producers, and conversions to injectors. Reserves, which would not be economic to recover through separate development, will be recovered through the new, concurrent pattern.

Review of the Jalmat and Langlie-Mattix Pools indicates that the productive sands are vertically isolated within the project area. A compartmentalized reservoir exists because of the discontinuity of pay intervals. Additional reservoir compartments will be contacted through 20 acre well spacing. The project's sweep efficiency will also improve as water injection is initiated in previously unswept compartments.

William J. LeMay, Director
Application of TEPI
July 23, 1993
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f. Production history and forecast:

See Exhibits "C" and "D" which display a production history and a forecast, respectively, for the project area.

TEPI requests that this application be set for hearing.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ja Head".

James A. Head
Reservoir Manager

JHO:s

Attachments

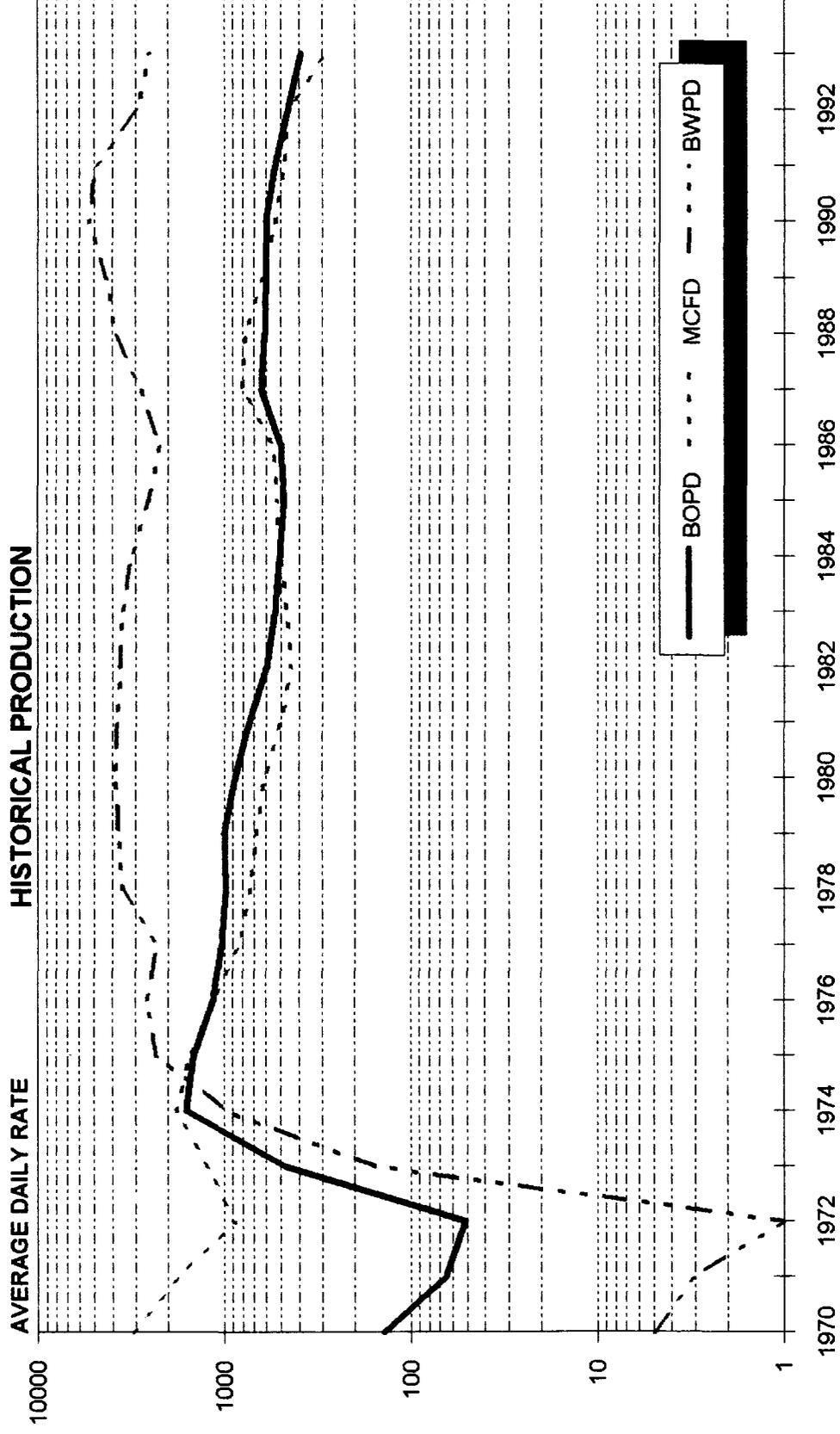
COOPER JAL UNIT
CURRENT AND PROPOSED WELL STATUS
ENHANCED RECOVERY PROJECT AREA

WELL	LOCATION	SECTION-T-R	CURRENT POOL	CURRENT STATUS	PROPOSED POOL	PROPOSED STATUS
107	1980' FWL, 1650' FEL	13-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
112	330' FSL, 990' FWL	13-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
113	4950' FNL, 2970' FEL	13-24S-36E	LANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
114	330' FSL, 2310' FEL	13-24S-36E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
115	900' FSL, 990' FEL	13-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
116	660' FSL, 660' FWL	18-24S-37E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
120	660' FNL, 1980' FWL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
121	990' FNL, 1650' FWL	24-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
122	330' FNL, 990' FEL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
123	330' FNL, 990' FWL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
124	660' FNL, 1917' FWL	19-24S-37E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
125	1650' FNL, 2310' FWL	24-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
126	1650' FNL, 2310' FEL	24-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	INJECTOR
127	1650' FNL, 990' FEL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
128	1650' FEL, 330' FWL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
129	1650' FNL, 1587' FWL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
130	1650' FSL, 1650' FWL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
132	990' FEL, 2310' FSL	24-24S-36E	LANGLIE-MATTIX	PRODUCER	LANGLIE-MATTIX	INJECTOR
133	1980' FSL, 1917' FWL	19-24S-37E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
134	330' FSL, 1650' FWL	24-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	INJECTOR
135	990' FSL, 1980' FEL	24-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	INJECTOR
136	990' FSL, 990' FEL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
137	990' FNL, 330' FWL	25-24S-36E	LANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
138	840' FNL, 1650' FWL	25-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
139	2310' FEL, 330' FNL	25-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
140	990' FNL, 990' FEL	25-24S-36E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
141	330' FNL, 330' FWL	30-24S-37E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
143	2310' FNL, 1650' FWL	25-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
146	1650' FSL, 990' FEL	13-24S-36E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
147	2310' FNL, 330' FWL	19-24S-37E	LANGLIE-MATTIX	INJECTOR	LANGLIE-MATTIX	INJECTOR
148	2310' FSL, 2310' FEL	24-24S-36E	LANGLIE-MATTIX	INJECTOR	JALMAT	PRODUCER
150	1650' FSL, 990' FWL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
151	170' FEL, 771' FNL	24-24S-36E	LANGLIE-MATTIX	PRODUCER	LANGLIE-MATTIX	INJECTOR
152	660' FNL, 660' FWL	24-24S-36E	LANGLIE-MATTIX	PRODUCER	LANGLIE-MATTIX	PRODUCER
153	280' FWL, 1400' FSL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	INJECTOR
154	1550' FNL, 2400' FEL	24-24S-36E	LANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
201	660' FNL, 330' FEL	24-24S-36E	JALMAT	INJECTOR	JALMAT	INJECTOR
202	990' FNL, 330' FWL	19-24S-37E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
203	1980' FNL, 760' FWL	24-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
204	1980' FNL, 1980' FWL	24-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER

COOPER JAL UNIT
CURRENT AND PROPOSED WELL STATUS
ENHANCED RECOVERY PROJECT AREA

WELL	LOCATION	SECTION-T-R	CURRENT POOL	CURRENT STATUS	PROPOSED POOL	PROPOSED STATUS
205	1980' FNL, 1650' FEL	24-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
206	1980' FNL, 330' FEL	24-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
207	2310' FNL, 330' FWL	19-24S-37E	JALMAT	INJECTOR	JALMAT	INJECTOR
208	2310' FNL, 1650' FEL	19-24S-37E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
209	660' FWL, 2080' FSL	24-24S-36E	JALMATLANGLIE-MATTIX	INACTIVE PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
210	1980' FSL, 660' FWL	24-24S-36E	JALMAT	PRODUCER	JALMAT	INACTIVE PRODUCER
211	2310' FSL, 2310' FWL	24-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
213	1980' FSL, 660' FEL	24-24S-36E	JALMAT	INJECTOR	JALMAT	INJECTOR
215	660' FSL, 660' FEL	23-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
216	4620' FNL, 4620' FEL	24-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
217	990' FSL, 2310' FWL	24-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
218	330' FSL, 1650' FEL	24-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
219	330' FSL, 660' FEL	24-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
220	628' FWL, 660' FSL	19-24S-37E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
221	660' FSL, 1917' FWL	19-24S-37E	JALMATLANGLIE-MATTIX	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
222	330' FNL, 330' FEL	26-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
223	330' FNL, 990' FWL	25-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
224	330' FNL, 2310' FWL	25-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
225	660' FNL, 1650' FEL	25-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
226	330' FNL, 330' FEL	25-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
227	660' FNL, 660' FWL	30-24S-37E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
228	660' FNL, 1917' FWL	30-24S-37E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
229	990' FWL, 1650' FNL	25-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
230	1650' FNL, 2310' FWL	25-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
231	1650' FNL, 330' FEL	25-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
232	1980' FNL, 1896' FWL	30-24S-37E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
233	1650' FSL, 990' FEL	13-24S-36E	JALMAT	INJECTOR	JALMAT	INJECTOR
234	330' FSL, 1650' FEL	13-24S-36E	JALMAT	INJECTOR	JALMAT	INJECTOR
235	660' FSL, 660' FWL	18-24S-37E	JALMAT	INJECTOR	JALMAT	INJECTOR
236	660' FNL, 1980' FWL	24-24S-36E	JALMAT	INJECTOR	JALMAT	INJECTOR
237	660' FSL, 1980' FEL	23-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
238	1980' FNL, 330' FWL	25-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
239	1980' FNL, 660' FWL	30-24S-37E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
240	1980' FSL, 1917' FWL	19-24S-37E	JALMAT	INJECTOR	JALMAT	INJECTOR
241	1650' FNL, 1650' FEL	25-24S-36E	JALMAT	INJECTOR	JALMATLANGLIE-MATTIX	INJECTOR
242	990' FNL, 1587' FWL	19-24S-37E	JALMAT	INJECTOR	JALMAT	INJECTOR
245	1980' FSL, 1980' FEL	24-24S-36E	JALMAT	PRODUCER	JALMATLANGLIE-MATTIX	PRODUCER
303	2310' FSL, 2310' FWL	13-24S-36E	JALMAT	INACTIVE PRODUCER	JALMAT	PRODUCER
304	1650' FSL, 1650' FEL	13-24S-36E	JALMAT	INACTIVE PRODUCER	JALMAT	PRODUCER

COOPER JAL UNIT PROJECT AREA
HISTORICAL PRODUCTION



COOPER JAL UNIT PROJECT AREA

PRODUCTION FORECAST

