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May 13, 1987

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Case 9148

Bill Lemay, Director New Mexico Oil Conservation Division New Mexico State Land Office Bldg. Santa Fe, New Mexico 87501

Re: Application of Texaco Producing, Inc. for Permit to Drill in Potash-Oil Area, Eddy County, New Mexico

Dear Mr. Lemay:

Enclosed please find the Application of Texaco Producing, Inc. for Permit to Drill in Potash-Oil Area, Eddy County, New Mexico. On behalf of Texaco Producing, Inc. we request that this Application be set for hearing before the Division's duly appointed examiner on June 3, 1987 and that after notice and hearing, the Division enter its Order granting the Application.

Very truly yours,

J. Scott Hall

JSH/dmg

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF TEXACO PRODUCING, INC. FOR PERMIT TO DRILL IN POTASH-OIL AREA, EDDY COUNTY, NEW MEXICO

Case No. 9148

APPLICATION

Texaco Producing, Inc., through its undersigned counsel, applies for an Order permitting it to drill its Forty-Niner Ridge No. 3 Well in the Potash-Oil Area designated under Oil Conservation Commission Order No. R-111-A. In support thereof, applicant states:

- l. Applicant owns 100% of the working interests in oil and gas leases covering the Sw/4 NE/4 of Section 16, T-23 S, R-30 E, N.M.P.M. Eddy County, New Mexico, encompassing 40 acres, more or less.
- 2. Applicant proposes to drill its Forty-Niner Ridge No. 3 Well to the Delaware formation at a standard location 2310' FNL and 2310' FEL of said Section 16 with the SW/4 NE/4 of said section dedicated thereto.
- 3. The granting of this Application will result in the prevention of waste, protection of correlative rights and will permit the economic recovery of oil and gas from the Potash

Minerals area while assuring the conservation of New Mexico Potash deposits.

WHEREFORE, Texaco Producing, Inc. prays that this Application be set for hearing before the Division's duly appointed examiner on June 3, 1987 and that after notice and hearing as required by law, the Division enter its Order granting the Application and such other relief as may be proper.

Respectfully submitted:

CAMPBELL & BLACK

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