

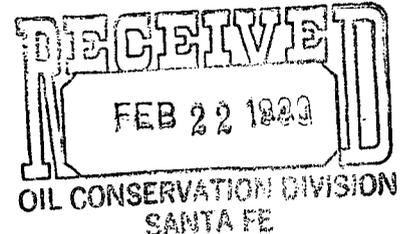


Texaco USA

PO Box 728
Hobbs NM 88240
505 393 7191

February 21, 1989

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503



Attention: Mr. David Catanach

RE: Unorthodox Location
New Mexico "Z" State TN No. 1
Lea County, New Mexico

Gentlemen:

Texaco Producing Inc. respectfully requests that an exception to well location requirements for the Vacuum Wolfcamp Pool be administratively granted for the referenced well as provided for in Rule 5 of the Special Pool Rules. The well was originally drilled to a depth of 12,200' and completed in the Vacuum Atoka S.W. Pool at a standard location.

Pool Rules for the Vacuum Wolfcamp call for 80-acre spacing, with wells to be located within 200 feet of the center of either the NW/4 or the SE/4 of any Governmental Quarter Section. The referenced well is not in either one of the required 1/4 1/4 sections and is 220 feet from the center of the 1/4 1/4 section.

Attached is a location plat of the referenced well and also an area plat showing offset operators to the lease. A copy of this application has been mailed to the offset operator (Phillips).

Yours very truly,

L. J. Seeman
District Petroleum Engineer

LDR:JRB

Attachments

cc: NMOCD, Hobbs
Phillips Petroleum Co.
4001 Penbrook
Odessa, TX. 79762



Texaco USA

PO Box 709
Ocala, Florida
35431 7790

February 21, 1989

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

RE: Unorthodox Location
New Mexico "Z" State TN No. 1
Undesignated Vacuum Wolfcamp Pool
Lea County, New Mexico

Gentlemen:

Attached is a copy of Texaco Producing Inc.'s Unorthodox Location Application which serves as notification to you of our intent to re-complete the referenced well. Any objections to this application should be made to the Secretary-Director of the NMOCD within 20 days of receipt of this letter.

Yours very truly,

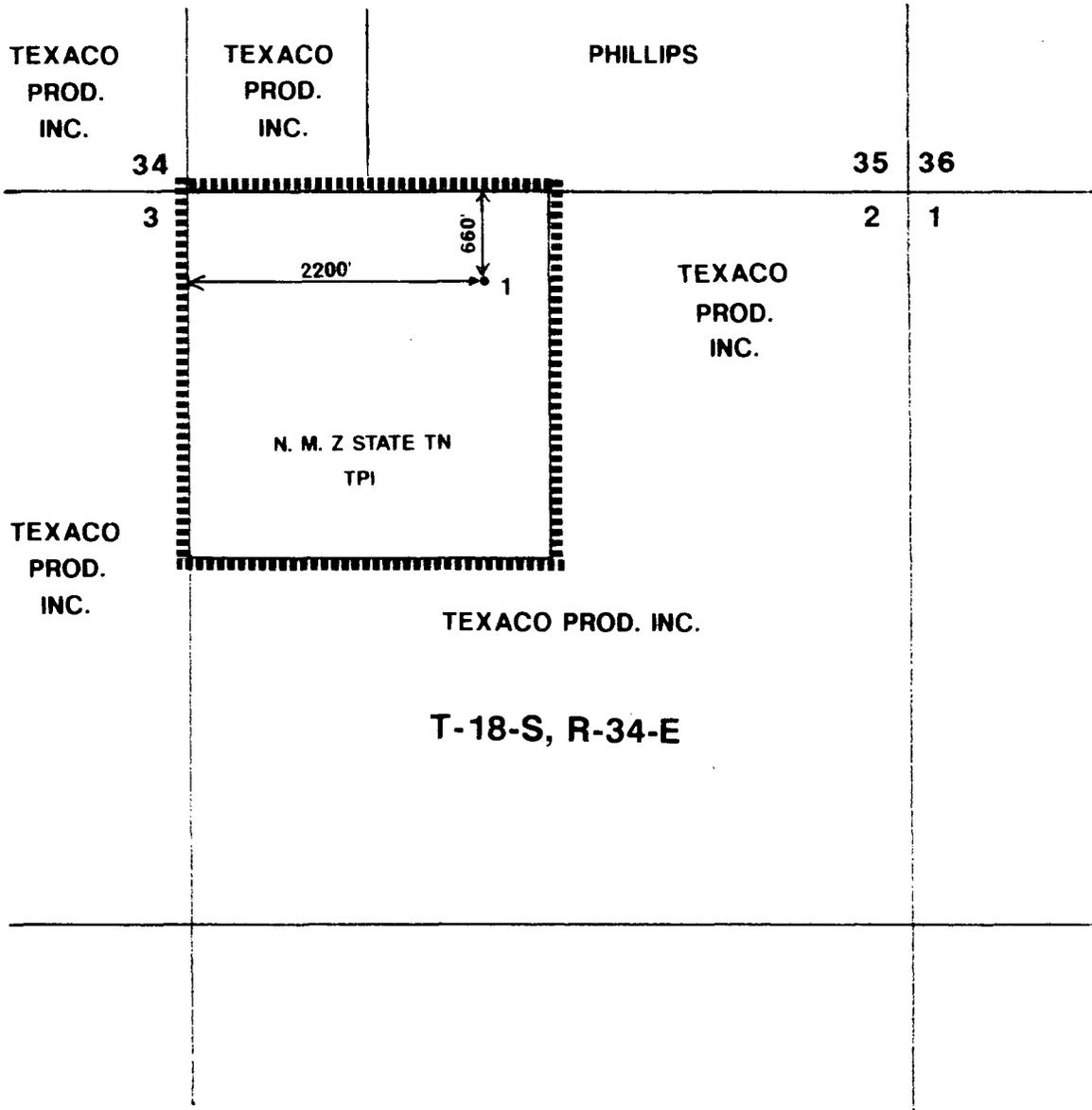
L. J. Seeman
District Petroleum Engineer

LDR:JRB

Attachments

cc: NMOCD

T-17-S, R-34-E



Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

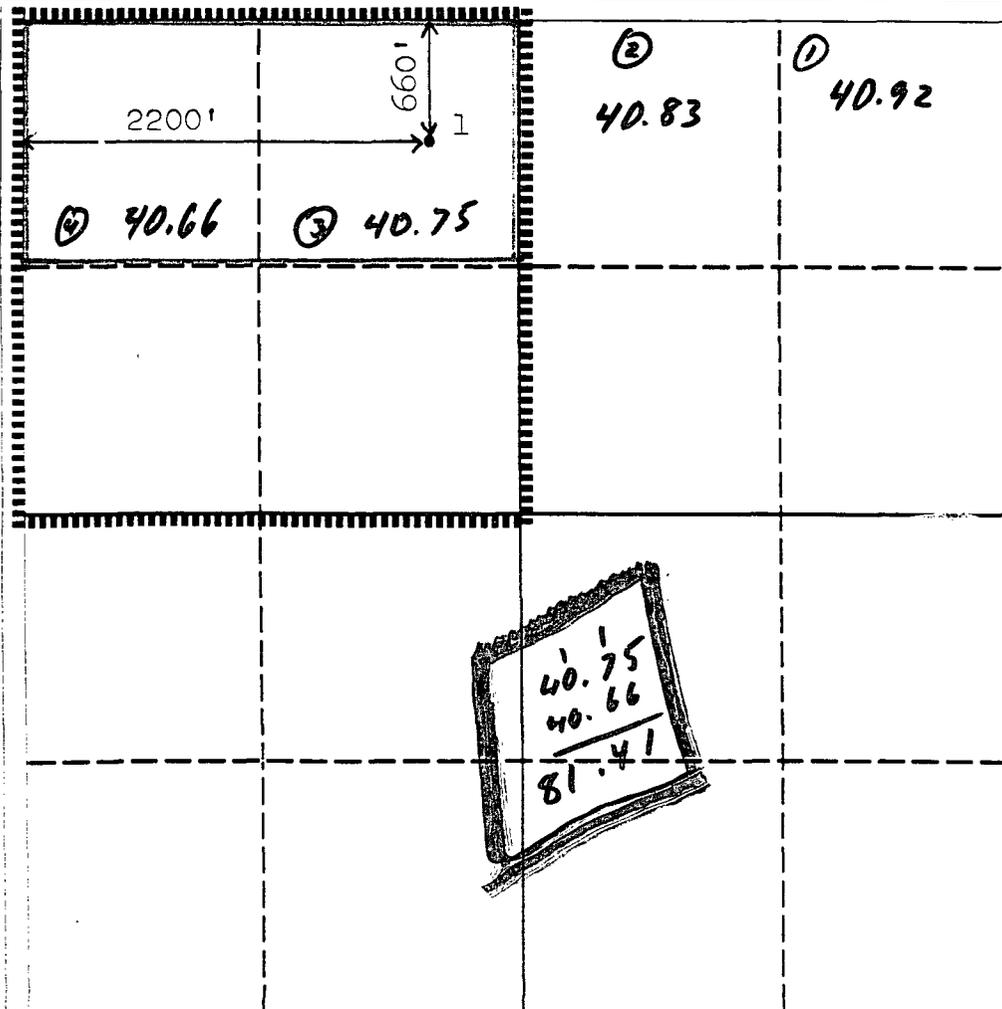
Operator Texaco Producing Inc.			Lease New Mexico "Z" State IN		Well No. 1
Unit Letter C	Section 2	Township 18-S	Range 34-E	County Lea	
Actual Footage Location of Well: 660 feet from the North line and 2200 feet from the West line					
Ground level Elev. 4017	Producing Formation Bursum		Pool Undes. Vacuum Wolfcamp		Dedicated Acreage: 80 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

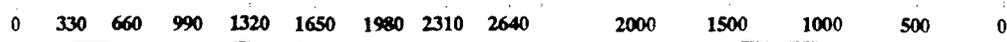


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *L. J. Seeman*
 Printed Name: L. J. Seeman
 Position: Dist. Petr. Engr.
 Company: Texaco Prod. Inc.
 Date: 02-21-89

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____



P-562 874 940

REC- FOR CERTIFIED MAIL

INSURANCE COVERAGE PROVIDED
BY THE INTERNATIONAL MAIL

See Reverse

U.S.G.P.O. 152 536

Form 3800, June 1985

Sent to:	Phillips Petroleum Co.
Street and No.	4001 Penbrook
P.O., State and ZIP Code	Odessa, Texas 79762
Postage	.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	59.00
Postmark or Date	

(VACUUM-DEVONIAN POOL—Cont'd.)

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Devonian Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Devonian Oil Pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Devonian Oil Pool as the acreage in such non-standard unit bears to 80-acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Devonian formation within the Vacuum-Devonian Oil Pool or within one mile of the Vacuum-Devonian Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Devonian Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Devonian Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

VACUUM-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-2422, Creating and Adopting Temporary Operating Rules for the Vacuum-Wolfcamp Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2422-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2422.

Application of Socony Mobil Oil Company, Inc., to create a New Pool for Wolfcamp production and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2740
Order No. R-2422

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Wolfcamp production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Wolfcamp production should be created and designated the Vacuum-Wolfcamp Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Wolfcamp formation is at 9518 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(VACUUM-WOLFCAMP POOL - Cont'd.)

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated the Vacuum-Wolfcamp Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SE/4

(2) That special rules and regulations for the Vacuum-Wolfcamp Oil Pool are hereby promulgated as follows, effective March 1, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
VACUUM-WOLFCAMP OIL POOL

RULE 1. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool or in the Wolfcamp formation within one mile of the Vacuum-Wolfcamp Oil Pool, and not nearer to or within the limits of another designated Wolfcamp pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Wolfcamp Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Wolfcamp Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Wolfcamp Oil Pool as the acreage in such non-standard unit bears to 80-acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Wolfcamp formation within the Vacuum-Wolfcamp Oil Pool or within one mile of the Vacuum-Wolfcamp Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Wolfcamp Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



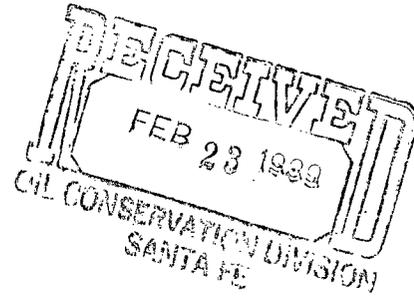
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

2-22-89

GARREY CARRUTHERS
 GOVERNOR

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501



RE: Proposed:
 MC _____
 DHC _____
 NSL _____
 NSP _____
 SWD _____
 WFX _____
 PMX _____

Gentlemen:

I have examined the application for the:

Jeyaco Prod. Inc. New Mex. 2 St TN #1-C 2-18-34
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/ed