



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 2, 1990

Texaco, Inc.
3300 N. Butler Avenue
Farmington, NM 87401

Attention: Alan A. Kleier

Administrative Order NSL-2880

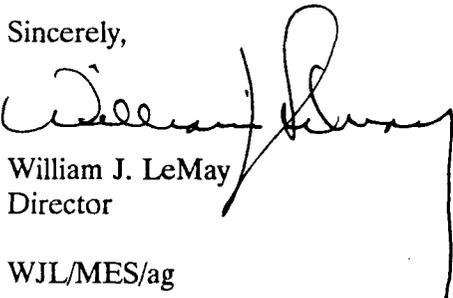
Dear Mr. Kleier:

Reference is made to your application dated August 24, 1990 for a non-standard Fulcher Kutz Pictured Cliffs gas well location for your existing H.J. Loe "B" Federal Well No. 2 which was drilled in 1960 and completed in the Basin Dakota Pool at a standard gas well location 1850 feet from the North line and 2310 feet from the East line (Unit G) of Section 23, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is my understanding that said well was recompleted to the Pictured Cliffs formation in February 1977, however no gas has been produced. Also, the location is unorthodox pursuant to the General Rules and Regulations applicable to said pool. It is our understanding that Texaco intends at this time to test this well in an effort to obtain gas production from the Pictured Cliffs formation. Further, the NE/4 of said Section 23 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of General Rule 104.F.I. the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington