

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



January 6, 1992.

BRUCE KING
GOVERNOR

Texaco U.S.A. Inc.
P.O. Box 3109
Midland, Texas 79702-3109

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

Attention: C.P. Basham

Administrative Order NSL-3085(SD)

Dear Mr. Basham:

Reference is made to your application dated November 26, 1991, for an unorthodox North Dagger Draw-Upper Pennsylvanian oil well location in an existing standard 160-acre oil spacing and proration unit for said North Dagger Draw-Upper Pennsylvanian Pool comprising the NE/4 of Section 25, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico. Said unit presently has dedicated thereon the "DD" Federal "25" Well Nos. 1 and 2-Y located in Units H and G respectively of said Section 25.

By authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the North Dagger Draw - Upper Pennsylvanian Pool, as promulgated by Division Order No. R-4691, as amended, the following described well located at an unorthodox oil well location is hereby approved:

DD Federal "25" Well No. 3
130' FNL - 660' FEL (Unit A)

Also, you are hereby authorized to simultaneously dedicate North Dagger Draw - Upper Pennsylvanian oil production from the DD Federal "25" Well No. 3 with the DD Federal "25" Well Nos. 1 and 2-Y. Furthermore, you are hereby permitted to produce the allowable assigned the subject unit from all of said wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Artesia
U.S. BLM - Carlsbad