



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 27, 1995

Texaco Exploration & Production Inc.
P. O. Box 730
Hobbs, New Mexico 88241-0730

Attn: Darrell J. Carriger

Administrative Order NSL-3550(SD)

Dear Mr. Carriger:

Reference is made to your application dated June 15, 1995 for an unorthodox Justis (Glorieta) gas well location in an existing standard 320-acre gas spacing and proration unit ("GPU") for said Justis (Glorieta) Gas Pool comprising the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU is currently dedicated to Texaco's G. L. Erwin "B" Federal (NCT-2) Well No. 2 (API No. 30-025-11363) located at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 35.

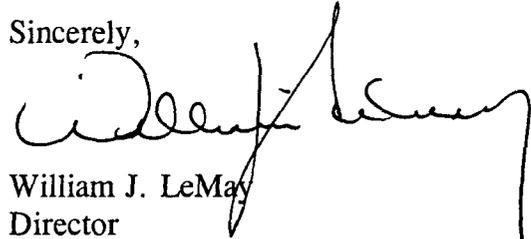
It is our understanding that the subject well in this application, the G. L. Erwin "B" Federal (NCT-2) Well No. 1 (API No. 30-025-11362), was drilled in 1961 to a total depth of 8,565 feet to test the Ellenburger formation at a standard oil well location 660 feet from the South and East lines (Unit P) of said Section 35. This well is currently a singly completed oil well in the North Justis-Paddock Pool. It is our understanding that this Paddock oil zone is to be properly plugged back at this time and that said well will be re-completed to the Justis (Glorieta) Gas Pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Justis (Glorieta) Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above-described G. L. Erwin "B" Federal (NCT-2) Well No. 1, located at an unorthodox Justis (Glorieta) gas well location is hereby approved.

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Also, you are hereby authorized to simultaneously dedicate Justis (Glorieta) Gas production from the G. L. Erwin "B" Federal (NCT-2) Well No. 2 with said Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad