



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 4, 1998

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: A. Phil Ryan
Commission Coordinator

Administrative Order NSL-3938

Dear Mr. Ryan:

Reference is made to your completed application dated February 3, 1998 for Texaco Exploration and Production, Inc. ("Texaco") to drill its proposed Anderson Ranch Unit Well No. 201 at an unorthodox oil well location within both the Anderson Ranch-Wolfcamp and Anderson Ranch-Devonian Pools 1488 feet from the North line and 1310 feet from the West line (Unit E) of Section 14, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, whereby the SW/4 NW/4 of said Section 14 is to be dedicated to said well in order to form a standard 40-acre oil spacing and proration unit for both pools.

The geologic interpretation submitted with this application, which was limited to the deeper Devonian horizon, indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the productive interval of the Anderson Ranch-Devonian Pool than a well drilled at a location considered to be standard within the subject 40-acre oil spacing and proration unit.

Further, the N/2 of said Section 14 is included within the Anderson Ranch Unit Area in which Texaco is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Texaco.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location for both the deeper Devonian and shallower Wolfcamp intervals is hereby approved.

Sincerely,

Kathleen A. Garland
Director

KAG/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr, Legal Counsel for Texaco - Santa Fe

REMARKS: Please note that the Morrow interval was not covered in this application at this time since:

- (1) all of said Section 14 is within the current boundaries of the Anderson Ranch-Pennsylvanian (Oil) Pool; and,
- (2) it was not clear in this application that Texaco is the "affected party" to the northwest, west, and southwest of the proposed lay-down (320-acre - N/2 of said Section 14) gas spacing and proration unit.