



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 7, 1997

Texaco Exploration and Production, Inc.
P.O. Box 3109
Midland, Texas 79702
Attention: C. Wade Howard

Administrative Order NSL-3772

Dear Mr. Howard:

Reference is made to: (i) your letter dated February 19, 1997; (ii) supplemental information provided by William F. Carr; and, (iii) to the Division's records concerning Administrative Order PC-210, by which Texaco makes application for an unorthodox oil well location for both the Drinkard and Wantz-Abo Pools for the proposed S. J. Sarkeys Well No. 7 (API No. 30-025-33851) to be drilled 330 feet from the North line and 1050 feet from the West line (Unit D) of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

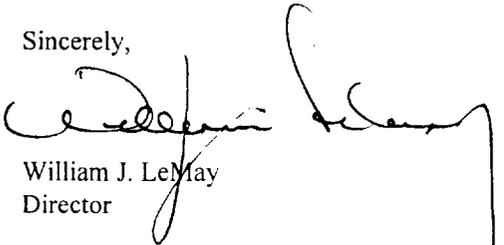
Division records indicate that the entire NW/4 of said Section 26 is a single Fee lease in which Texaco Exploration and Production, Inc. is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than Texaco.

The existing standard 40-acre oil spacing and proration unit in the Drinkard Pool comprising the NW/4 NW/4 of said Section 26, which is presently dedicated to Texaco's S. J. Sarkeys Well No. 2 (API No. 30-025-06792), located at a standard oil well location 660 feet from the North and West lines of said Section 26, and said 40-acre tract to form a standard 40-acre oil spacing and proration unit in the Wantz-Abo Pool, are to be dedicated to said well.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
William F. Carr - Santa Fe
File: PC-210