



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 27, 2000

Lori Wrotenbery

Director

Oil Conservation Division

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

Administrative Order NSL-4520

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated October 25, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Texaco Exploration and Production, Inc.'s ("Texaco") request for an unorthodox oil well location in both the Justis-Blinbery and Justis-Tubb Drinkard Pools for its proposed G. L. Erwin "B" Federal NCT-2 Well No. 11. This well is to be drilled 1590 feet from the South line and 1830 feet from the East line (Unit J) of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. It is our understanding that this well is to be dually completed in both zones.

The existing standard 40-acre oil spacing and proration unit in the Justis-Blinbery Pool comprising the NW/4 SE/4 of Section 35, which 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 oil well location 1980 feet from the South and East lines of Section 35, and this same 40-acre tract, to form a standard 40-acre oil spacing and proration unit in the Justis-Tubb Drinkard Pool, are to be dedicated to this well.

Furthermore, the SE/4 of Section 35 is a single federal lease (U. S. Government Lease No. LC-057509) in which Texaco is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than Texaco.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

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

10/26/00 | 11/15/00 | MS | NV | NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

30132710

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

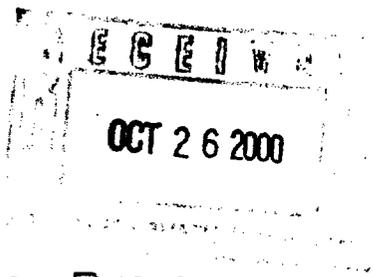
THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [X] NSL [] NSP [] DD [] SD



Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement [] DHC [] CTB [] PLC [] PC [] OLS [] OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners [B] [] Offset Operators, Leaseholders or Surface Owner [C] [] Application is One Which Requires Published Legal Notice [D] [] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E] [] For all of the above, Proof of Notification or Publication is Attached, and/or, [F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. Phil Ryan Print or Type Name

A. Phil Ryan Signature

Commission Coordinator Title

10/25/00 Date



Texaco North America Production
Houston, Texas 77002-1100

400 North Loop West
Midland, TX 79701

P.O. Box 9109
Midland, TX 79702

October 25, 2000

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

**G. L. Erwin 'B' Federal NCT-2 #11
Justis Blinebry; Justis Tubb Drinkard
Lea County, New Mexico**

**State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505**

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 1590' FSL and 1830' FEL, Unit Letter "J" of Section 35, T-24-S, R-37-E.

The Basis for the Nonstandard Location is:

- 1) The location of the G. L. Erwin 'B' Federal NCT-2 #11 was chosen to maximize recovery of Blinebry and Tubb/Drinkard hydrocarbons while avoiding zones of reservoir depletion surrounding current producers in the North Justis field. This location is nonstandard only because it encroaches on the quarter-quarter section line that is within the G. L. Erwin 'B' Federal NCT-2 lease. The location is standard with regard to the lease lines, and Texaco is the 100% WIO of all offset acreage.**
- 2) The positioning of the subject well was based on two factors: (1) Location relative to the older, slim-hole completed in the G. L. Erwin 'B' Federal NCT-2 #2, and (2) Location relative to the higher quality Tubb-Drinkard reservoir interval.**
- 3) The well nearest to the proposed location is the G. L. Erwin 'B' Federal NCT-2 #2. This well was drilled in the early 1960's and was slim-hole completed in the Blinebry Formation. This well was never completed in the Tubb-Drinkard interval. The small diameter casing, in conjunction with the fracture stimulation techniques available in the 1960's, resulted in only a**

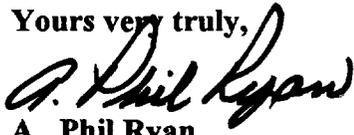
portion of the proration units around these wells to be adequately stimulated. The additional well (G. L. Erwin 'B' Federal NCT-2 #11) will allow hydrocarbons from those poorly drained areas within the Blinbry to be recovered, as well as recover hydrocarbons from the undrained Tubb-Drinkard interval on that proration unit.

- 4) Cross-sections displaying well log analyses of hydrocarbon saturation and producible (effective) porosity indicated that the Tubb-Drinkard interval in particular looks to be of a higher reservoir quality near the G. L. Erwin 'B' Federal NCT-2 #7 (see attached cross section). By positioning this well near the G. L. Erwin 'B' Federal NCT-2 #2 and the G. L. Erwin 'B' Federal NCT-2 #7, the likelihood of contacting undrained reservoir intervals is maximized.

There are no 'affected offset operators' to this location.

If there are any questions, please feel free to contact me at (915) 688-4606.

Yours very truly,

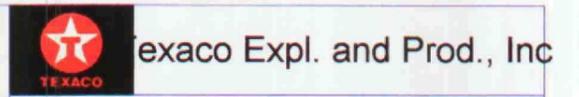
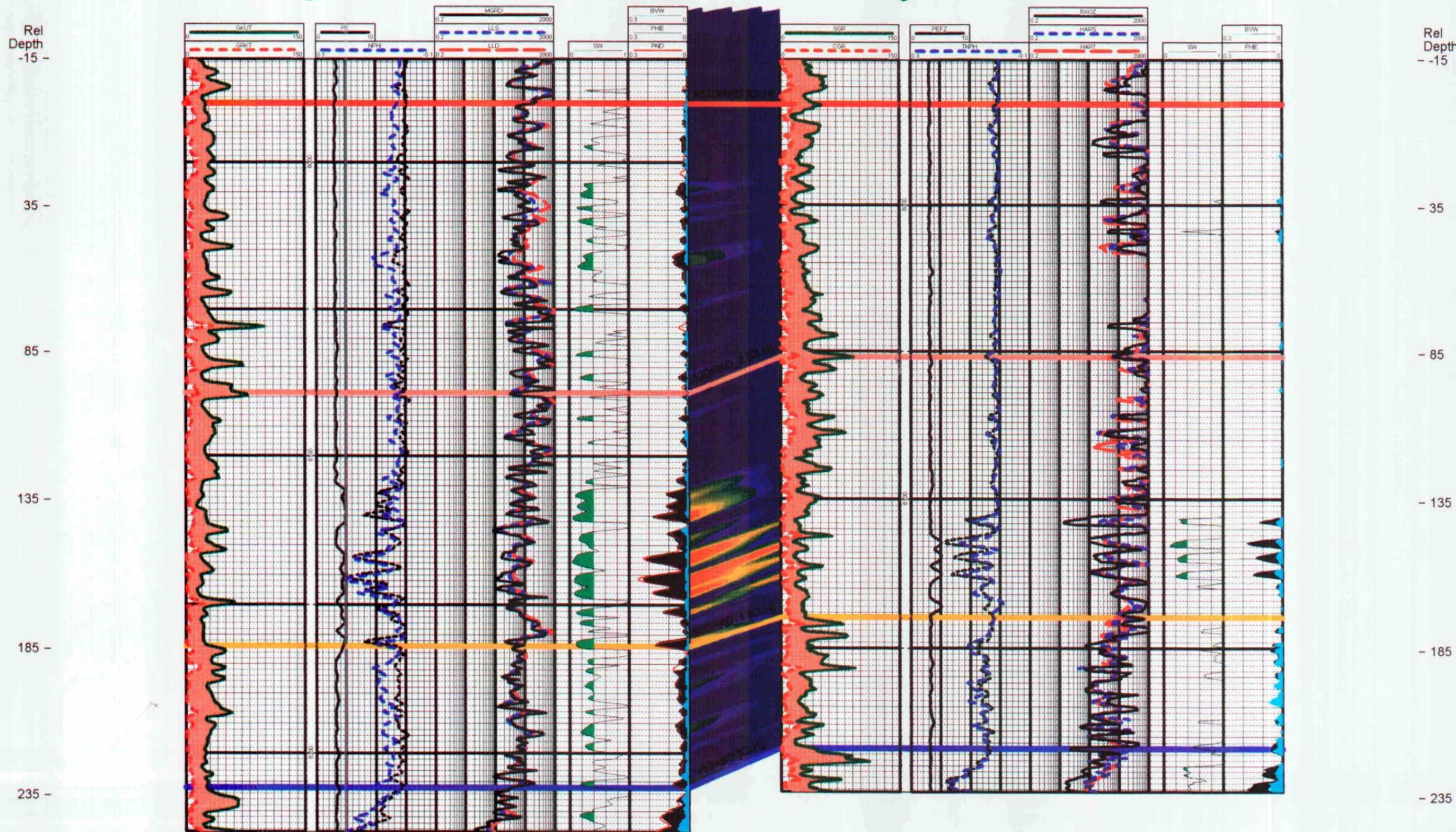


A. Phil Ryan
Commission Coordinator

Attachments: cc: BLM, Roswell, NM

GL ERWIN B-2
7

GL ERWIN B-2
10



G.L. Erwin 'B' NCT 2 #11

SW to NE Cross-Section

#7 to #10

Color = Hydrocarbon filled porosity

Horizontal Scale = 178.0

Vertical Scale = 20.0

Vertical Exaggeration = 8.9x

LOG CURVES

- 0 150 GR_KT (API) Gamma Ray (KT only)
- 0 150 GAMMA_RAY (GAPI) Alias List for Gamma Ray
- 0.3 -0.1 SONIC_POR (DEC) Sonic Porosity Alias Listing
- 0.3 -0.1 NEUT_POR (DEC) Alias list for Neutron Porosity
- 0 10 PE 33
- 0.2 2,000 RES_DEEP (OHMM) Deep Resistivity Alias List
- 0.2 2,000 RES_MEDIUM (OHMM) Medium Resistivity Alias
- 0.2 2,000 RXOZ (OHMM) 55
- 0 1 PERFS 90 CUTOFF = 0.00
- 0 1 SW (DECIMAL) 62 CUTOFF = 0.40
- 0.3 0 PND (DECIMAL) 44
- 0.3 0 PHIE (DECIMAL) 72
- 0.3 0 BVW (DECIMAL) 71 CUTOFF = 0.00

TOPS AND MARKERS

- 453GLRT_CLH - Goriotta Formation Top
- 453GLRT_G_CLH - Internal Goriotta Marker G
- 453GLRT_F_CLH - Internal Goriotta Marker F
- 453GLRT_E_CLH - Internal Goriotta Marker E
- 453GLRT_D_CLH - Internal Goriotta Marker D
- 453GLRT_C_CLH - Internal Goriotta Marker C
- 453GLRT_B_CLH - Internal Goriotta Marker B
- 453GLRT_A_CLH - Internal Goriotta marker A
- 452PDCK_CLH - Paddock Formation Top
- 452PDCK_A_CLH - Internal Paddock Marker A
- 452BLBR_CLH - Blinebry Formation Top
- 452BLBR_10_CLH - Blinebry 10 Internal Marker
- 452BLBR_9_CLH - Blinebry 9 Internal Marker
- 452BLBR_6_CLH - Blinebry 6 Internal Marker
- 452BLBR_5_CLH - Blinebry 5 Internal Marker
- 452BLBR_4_CLH - Blinebry 4 Internal Marker
- 452BLBR_3_CLH - Blinebry 3 Internal Marker
- 452BLBR_2_CLH - Blinebry 2 Internal Marker
- 452BLBR_C_CLH - Blinebry Internal Marker C
- 452BLBR_B_CLH - Blinebry Internal Marker B
- 452BLBR_A_CLH - Blinebry Internal Marker A
- 452TUBB_CLH - Tubb Formation Top Alias listing
- 452TUBB_1_CLH - Tubb Internal Marker #1
- 452DRKD_CLH - Drinkard Formation Top
- 452DRKD_2_CLH - Drinkard Formation Internal

DISTRICT 1
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

Instructions on back

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Justis Blinebry & Justis Tubb Drinkard					
⁴ Property Code		⁵ Property Name G.L. Erwin "B" Federal NCT 2				⁶ Well Number 11			
⁷ OGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.				⁹ Elevation 3165'			
¹⁰ Surface Location									
UL or lot no. J	Section 35	Township 24-S	Range 37-E	Lot Idn	Feet from the 1590'	North/South line South	Feet from the 1830'	East/West line East	⁷ County Lea
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	⁷ County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



¹⁷ OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commissioner Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	August 8, 2000
¹⁸ SURVEYOR CERTIFICATION	
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	August 3, 2000
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper
Sheet	

○ = Staked Location ● = Producing Well ↗ = Injection Well ⊕ = Water Supply Well ⊕ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing	428012.34 (1927=427955.17)	Easting	913344.16 (1927=872156.49)
Latitude	32°10'15.494" (1927=32°10'15.051")	Longitude	103°07'51.844" (1927=103°07'50.199")
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.999916	Erwin83.cr5
Drawing File	ErwinB11F.dwg	Field Book	Lea County 18, Pg. 77

CMD : ONGARD 10/27/00 09:22:22
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQC3

API Well No : 30 25 11363 Eff Date : 03-22-1994 WC Status : A
Pool Idn : 34200 JUSTIS;BLINEBRY
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 10931 G L ERWIN B FEDERAL NCT 2

Well No : 002
GL Elevation: 3179

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: J	35	24S	37E	FTG 1980 F S	FTG 1980 F E	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/27/00 09:22:31
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQC3

API Well No : 30 25 11363 Eff Date : 03-22-1994 WC Status : A
Pool Idn : 34280 JUSTIS;DEVONIAN, NORTH
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 10931 G L ERWIN B FEDERAL NCT 2

Well No : 002
GL Elevation: 3179

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: J	35	24S	37E	FTG 1980 F S	FTG 1980 F E	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/27/00 09:22:34
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQC3

API Well No : 30 25 11363 Eff Date : 03-22-1994 WC Status : A
Pool Idn : 79360 JUSTIS;GLORIETA (PRO GAS)
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 10931 G L ERWIN B FEDERAL NCT 2

Well No : 002
GL Elevation: 3179

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: J	35	24S	37E	FTG 1980 F S	FTG 1980 F E	A

Lot Identifier:
Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

LC-057509

I

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/27/00 09:21:46
OGOMES -TQC3
PAGE NO: 1

Sec : 35 Twp : 24S Rng : 37E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A P	A A	A A	A A
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A	A A	A A A	A A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/27/00 09:21:50
OGOMES -TQC3
PAGE NO: 2

Sec : 35 Twp : 24S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A	A A	A	A A A
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A	A A	A A	A A A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12