



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 3, 2001

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

Administrative Order NSL-4585

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated April 12, 2001; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Texaco Exploration & Production Inc.'s request for an exception to the Fowler-Ellenburger Pool well location provisions of Division Order No. R-195, as amended, authorizing the proposed C. C. Fristo "B" Federal NCT-2 Well No. 27 to be drilled at an off-pattern unorthodox oil well location 2310 feet from the South line and 990 feet from the East line (Unit I) of Section 26, Township 24 South, Range 37 East, NMPM, Fowler-Ellenburger Pool (26410), Lea County, New Mexico.

The E/2 SE/4 of Section 26 is to be dedicated to this well in order to form a standard 80-acre stand-up oil spacing and proration unit for this pool.

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.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Ellenburger formation than a well drilled at a location considered to be standard.

By the authority granted me under the provisions of Order No. R-195, as amended, Division Memorandum 4-86 (dated June 2, 1986), and Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to these pools.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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