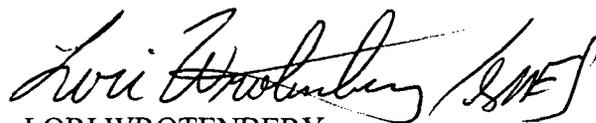


Texaco Exploration and Production, Inc.
Reinstatement of Division Administrative Order NSP-1768 (SD)
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Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a stylized monogram or initials.

LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1768



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 5, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702

Attention: Tim Nein

***Reinstatement of Division
Administrative Order NSP-1768 (SD)***

Dear Mr. Nein:

Reference is made to the following: (i) your application dated April 16, 2001; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Texaco Exploration and Production, Inc.'s ("Texaco") request to reinstate a previously approved non-standard 80-acre stand-up oil spacing and proration unit in the South Eunice-San Andres Pool (24170) comprising the W/2 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSP-1768, dated January 28, 1997, this 80-unit was established and had dedicated Texaco's Baker "B" Well No. 10 (API No. 30-025-10190), located at a standard oil well location 2310 feet from the South line and 1650 feet from the East line (Unit J) of Section 10. The Division's records indicate that the Baker "B" Well No. 10 ceased producing and was shut-in in November, 1997.

It is our understanding at this time that Texaco intends to reestablish San Andres oil production in the Baker "B" Well No. 10 and recomplete its Baker "B" Well No. 4 (API No. 30-025-10185), located at a standard oil well location 660 feet from the South line and 1980 feet from the East line of Section 10, from the Paddock Pool up-hole into the San Andres interval.

By the authority granted me under the provisions of: (i) the "*Special Rules and Regulations for the South Eunice-San Andres Pool*," as promulgated by Division Order No. R-3706, as amended; (ii) Division Memorandum 4-86, dated June 2, 1986; and (iii) Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, the above-described 80-acre unit is hereby restored and Division Administrative Order NSP-1768 shall be reinstated to its initial extent and is to remain in full force and affect until further notice. Also, Texaco is hereby permitted to produce the allowable assigned the subject unit from the Baker "B" Wells No. 4 and 10 in any proportion.