



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

October 25, 1999

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

Telefax No. (915) 688-4831

Administrative Order NSL-4372

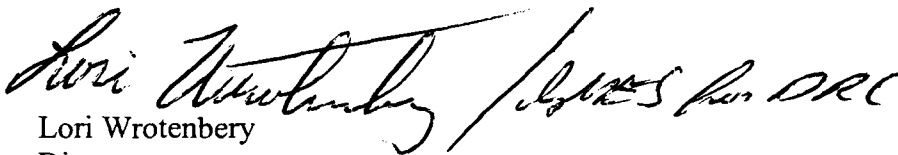
Dear Mr. Ryan:

Reference is made to the following: (i) your application dated October 21, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response on Monday, October 25, 1999 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, requesting additional information through voice mail; (iii) your telefax dated October 25, 1999 with the required supplemental data; and (iv) the Division's records in Santa Fe: all concerning Texaco Exploration & Production, Inc.'s ("Texaco") request for authorization to drill its Texmack "2" State Com. Well No. 2 at an unorthodox gas well location in the Strawn, Atoka, and Morrow formations 1980 feet from the North line and 2180 feet from the West line (Unit F) of Section 2, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2 is to be dedicated to the well in order to form a standard 319.60-acre gas spacing and proration unit for gas production from the Strawn and Atoka formations and the Undesignated Fren-Morrow Gas 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.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location within the proposed 319.60-acre unit comprising the N/2 equivalent of Section 2 for Texaco's proposed Texmack "2" State Com. Well No. 2 in the Strawn and Atoka formations and the Undesignated Fren-Morrow Gas Pool is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe