State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION

DRUG FRFF

January 24, 1995

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

Attention: J. A. Head

Administrative Order NSL-3469

Dear Mr. Head:

Reference is made to your application dated December 28, 1994 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the Skelly West Dollarhide Drinkard Waterflood Project Area, established by Division Order No. R-3768, dated May 28, 1969.

It is our understanding that the proposed West Dollarhide Drinkard Unit Well No. 147 is to be drilled 2600 feet from the South line and 631 feet from the West line (Unit L) of Section 32, Township 24 South, Range 38 East, NMPM, Dollarhide Tubb-Drinkard Pool, West Dollarhide Drinkard Unit Area, Lea County, New Mexico.

Said well is to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the NW/4 SW/4 of said Section 32 which is currently dedicated to the West Dollarhide Drinkard Unit Well No. 94 (API No. 30-025-30054), located at a previously approved unorthodox oil well location (Division Administrative Order NSL-2244, dated April 11, 1986) 2550 feet from the South line and 130 feet from the West line (Unit L) of said Section 32.

VILLAGRA BUILDING - 408 Galisteo Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation 827-7131 Administrative Order NSL-3469 Texaco Exploration and Production, Inc. January 24, 1995 Page 2

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox oil well location is hereby approved.

Sincerely,

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William J. LeMay Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs New Mexico State Land Office - Santa Fe File: NSL-2244