



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 4, 1996

Texaco Exploration & Production Inc.
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL-2894-A(SD)

Dear Mr. Carr:

Reference is made to your application dated August 13, 1996 for an unorthodox Jalmat gas well location in an existing non-standard 355.96-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots 1 and 2, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31 and the S/2 SW/4 of Section 32, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-2474, dated May 3, 1963 and had dedicated thereon the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 95) (API No. 30-025-10912), located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 31.

By Division Administrative Order NSL-2984(SD), dated February 4, 1991, an additional well, the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 3 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 97) (API No. 30-025-10909), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of said Section 31 was approved for the subject GPU.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following well recently drilled at an unorthodox Jalmat gas well location is hereby approved.

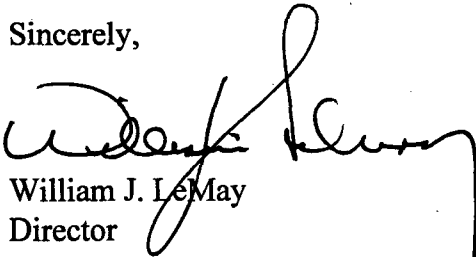
E. E. Blinebry "A" Federal (NCT-1) Com Well No. 4
(API No. 30-025-33430)
1870' FSL & 990' FWL (Lot 3/Unit L)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the

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E. E. Blinebry "A" Federal (NCT-1) Com Well No. 4 with the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2 and 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-2984(SD)
Case 11574