



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

January 22, 1997

Texaco Exploration and Production, Inc.
P.O. Box 3109
Midland, Texas 79702
Attention: C. Wade Howard

Administrative Order NSL-3760

Dear Mr. Howard:

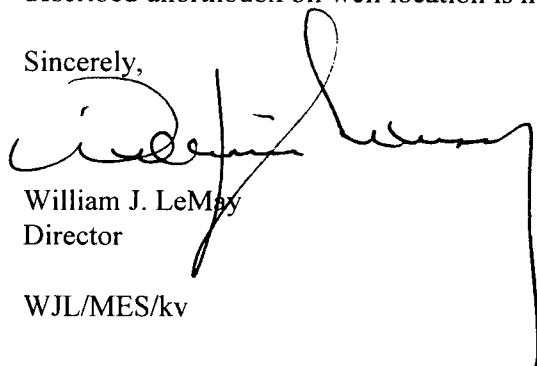
Reference is made to your application dated December 18, 1996 of an unorthodox oil well location for both the Justis-Blinebry and Justis-Tubb Drinkard Pools for Texaco's proposed C. C. Fristoe "B" Federal NCT-2 Well No. 20. Said well to be drilled 1450 feet from the North line and 2575 feet from the East line (Unit G) of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. It is our understanding that this well is to be dually completed in both zones.

The existing standard 40-acre oil spacing and proration unit in the Justis-Blinebry Pool comprising the SW/4 NE/4 of said Section 35, which is presently dedicated to Texaco's C. C. Fristoe "B" Federal NCT-2 Well No. 8 (API No. 30-025-20928), located at a standard oil well location 1980 feet from the North line and 1979 feet from the East line of said Section 35, and said 40-acre tract to form a standard 40-acre oil spacing and proration unit in the Justis-Tubb Drinkard Pool, are to be dedicated to said well.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

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