



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 19, 1998

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: A. Phil Ryan, Commission Coordinator

Administrative Order NSL-3938-A

Dear Mr. Ryan:

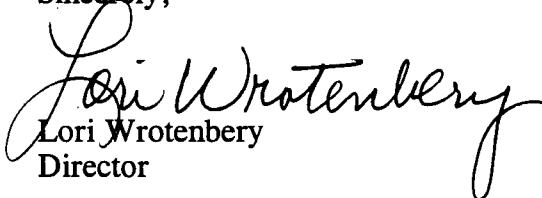
Reference is made to your application dated June 16, 1998 for a non-standard Morrow gas well location for Texaco Exploration and Production, Inc.'s existing Anderson Ranch Unit Well No. 201 (API No. 30-25-34272), which was drilled in April, 1998 to a total depth of 13,470 feet at an unorthodox oil well location within both the Anderson Ranch-Wolfcamp and Anderson Ranch-Devonian Pools 1488 feet from the North line and 1310 feet from the West line (Unit E) of Section 14, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico.

It is our understanding that Texaco perforated from 12,213 feet to 12,231 feet within the Morrow formation and the well tested three million a day. This well to be completed within the Undesignated Anderson Ranch-Morrow Gas Pool is considered to be unorthodox pursuant to Division General Rule 104.C(2)(b). Further, the N/2 of Section 14 is to be dedicated to the well in order to form a standard 320-acre gas spacing and proration unit for the pool.

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").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location in the Undesignated Anderson Ranch-Morrow Gas Pool is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-3938