NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

February 22, 1999

Texaco Exploration and Production Inc. 205 East Bender Blvd. Hobbs, New Mexico 88240 Attention: J. Denise Leake

Administrative Order NSL-4216

Dear Ms. Leake:

Reference is made to: (i) your application dated February 15, 1999 for an exception to New Mexico Oil Conservation Division ("Division") Rule 104.C(2)(a); and, (ii) to the records of the Division in Santa Fe: all concerning Texaco Exploration and Production Inc.'s ("Texaco") request to reenter the plugged and abandoned Aztec Oil & Gas Company West Anderson Ranch Well No. 1, located 3235 feet from the North line and 1991 feet from the West line (Lot 11/Unit K) of irregular Section 6, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico.

This well, to be redesignated the Texmack "6" State Well No. 1 by Texaco, was originally drilled to a total depth of 14,015 feet in 1954 in order to test the Devonian, Pennsylvanian, and Wolfcamp formations whereby it was deemed non-commercial and was subsequently plugged and abandoned.

It is our understanding that Texaco now intends to reenter this well and recomplete it in the West Anderson Ranch-Pennsylvanian Gas Pool within a standard 160.68-acre gas spacing and proration unit comprising Lots 11, 12, 13, and 14 of irregular Section 6.

The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location in the West Anderson Ranch-Pennsylvanian 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