



Texaco Inc.
Producing Department
Midland Division

PO Box 3108
Midland TX 79702-3108

JUN 25 11 50 AM '90

June 13, 1990

GOV - STATE AND LOCAL GOVERNMENTS
NON-STANDARD GAS PRORATION UNIT
State "H" Well No. 3
Eumont Yates 7 Rivers on (Pro Gas) Field
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception, by administrative approval, to Rule 104, D. II. is requested for Texaco Producing Inc.'s State "H" Well No. 3. This well is located 1980' FSL & 760' FWL, Unit Letter "L", of Section 32, T-19-S, R-37-E.

This well must be drilled in this location to ensure proper development of the field. Wells drilled previously on Non-Standard Gas Proration Units in this field have proven to be viable wells. It will be completed in the Penrose formation.

The offset operators of this lease have been notified of this request. Attached is Form C-102, offset operator's list with proof of notification, and a lease plat showing the location of the subject well.

Yours very truly,

C. P. Basham
Drilling Superintendent
on Behalf of Texaco Producing Inc.

CWH:cwh

Attachment

cc: NMOCD, P. O. Box 1980, Hobbs, NM 88240



Texaco USA
Producing Department
Midland Division

PO Box 3109
Midland TX 79702-3109

June 13, 1990

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NON-STANDARD GAS PRORATION UNIT
State "H" Well No. 3
Sec. 32, T-19-S, R-37-E
Eumont Yates 7 Rivers on (Pro Gas) Field
Lea County, New Mexico

TO THE OFFSET OPERATORS

Gentlemen:

As an offset operator to the captioned lease, you are being furnished with a copy of our Application for an Exception to Rule 104, D. II. If you have no objection, please sign the waiver at the bottom of this letter and return in the enclosed envelope.

Any questions concerning this request should be directed to Mr. C. W. Howard at (915) 688-4606.

Yours very truly,

C. P. Basham
Drilling Superintendent
on Behalf of Texaco Producing Inc.

CWH:cwh

File

WAIVER APPROVED:

COMPANY: _____

BY: _____

DATE: _____

STATE "H" WELL NO. 3

OFFSET OPERATORS

Amerada Hess Corporation
1201 W. Louisiana St., Suite 700
Houston, Texas 77002-5681

Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

| | |
|--|---|
| 3. Article Addressed to: AMERADA HESS CORP. 1201 W. LOUISIANA ST. SUITE 700 HOUSTON, TX 77002 - 5681 | 4. Article Number P 555 993 671 |
| 5. Signature - Address X | Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent X James Wilbridge | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery 6 1890 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

| | |
|--|--|
| 3. Article Addressed to: Marathon Oil Company P.O. Box 552 MIDLAND, TX 79702 | 4. Article Number P 555 993 673 |
| 5. Signature - Address X Albert Doyce | Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent X | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery JUN 15 1990 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

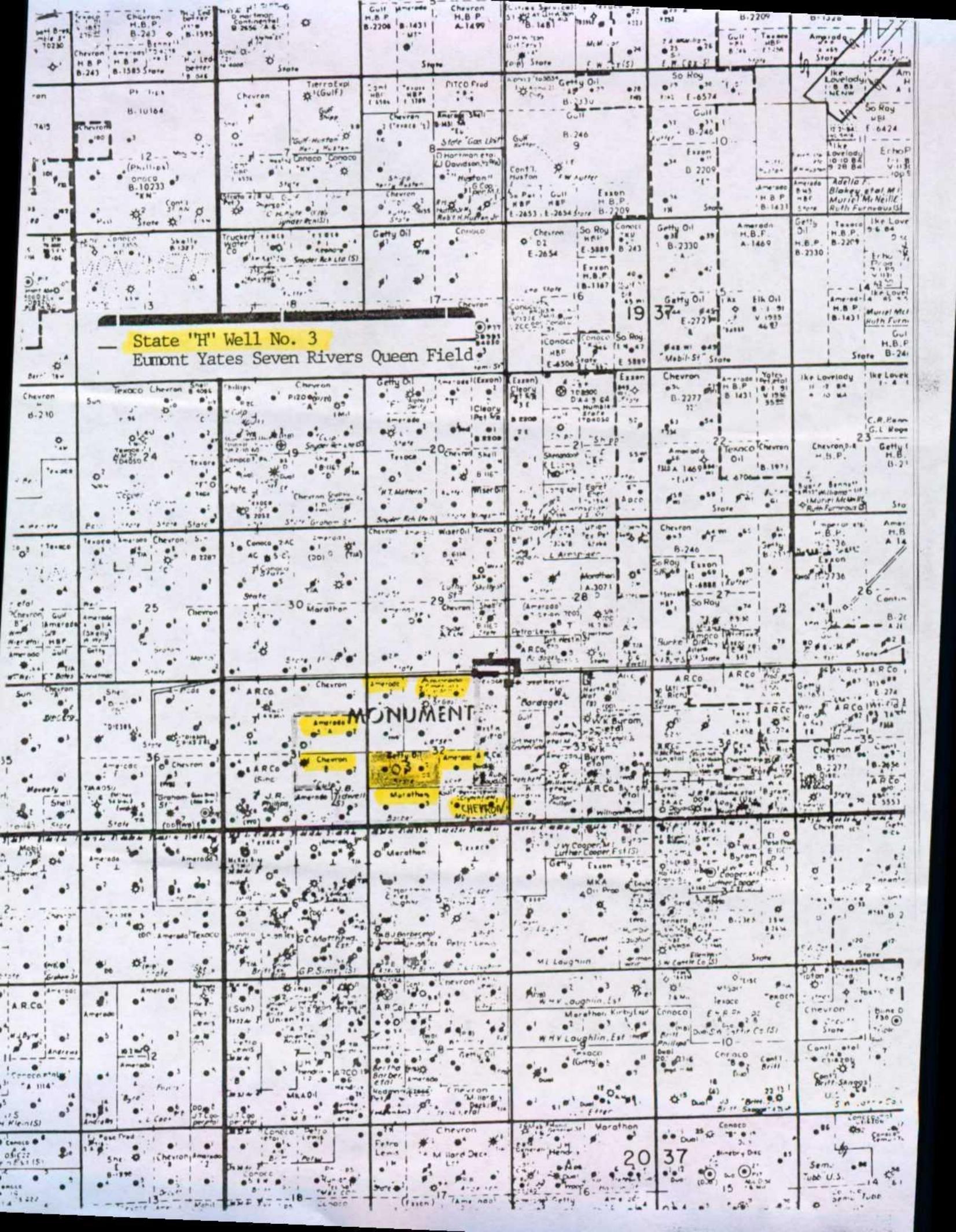
1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

| | |
|--|---|
| 3. Article Addressed to: CHEVRON U.S.A. Inc. P.O. Box 1150 MIDLAND, TX 79702 | 4. Article Number P 555 993 672 |
| 5. Signature - Address X | Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent X [Signature] | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery JUN 15 1990 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

State "H" Well No. 3
Eumont Yates Seven Rivers Queen Field

MONUMENT



Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

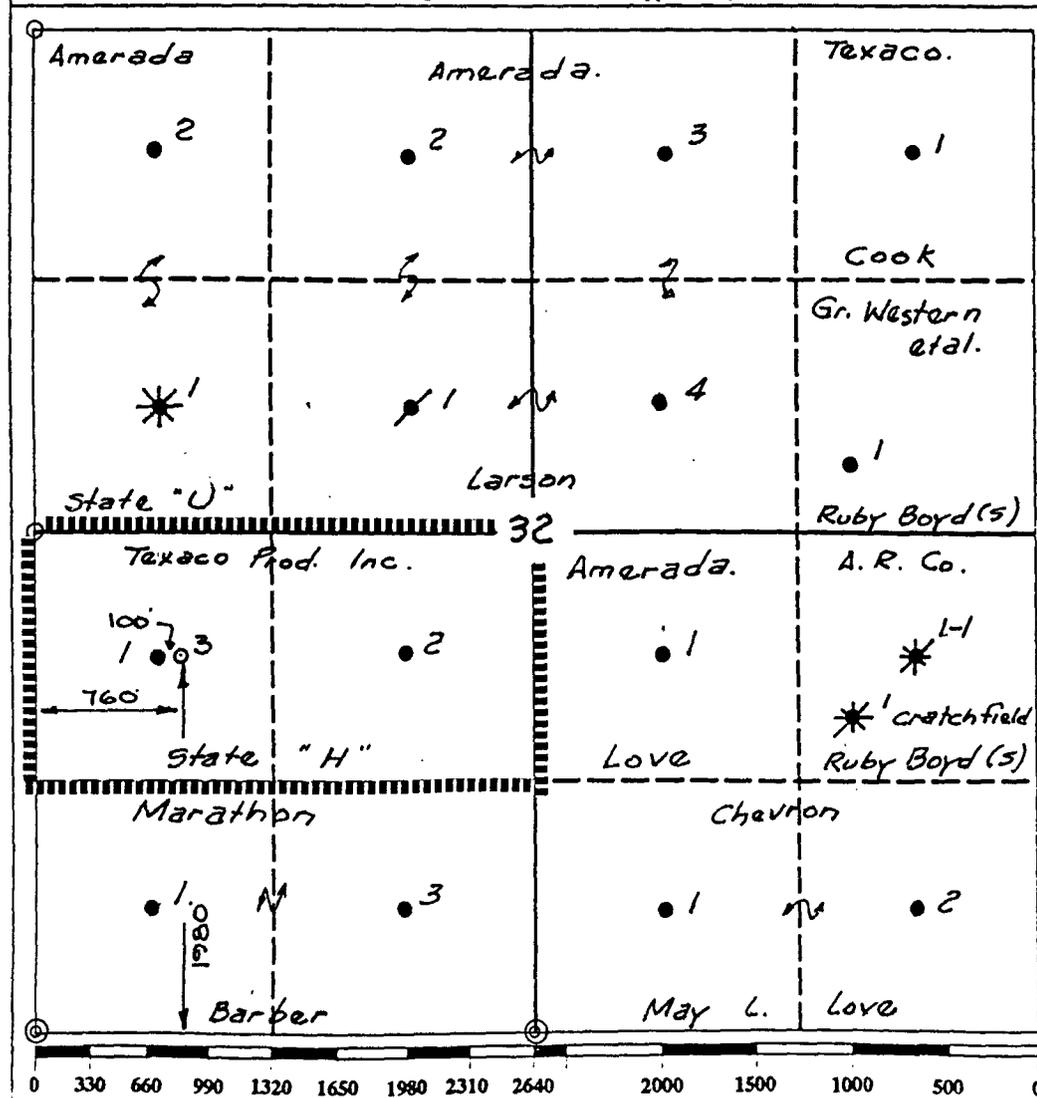
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|-----------------------------------|---------------|----------------------|--------------------|---------------|---------------|
| Operator TEXACO PRODUCING INC. | | | Lease State "H" | | Well No. 3 |
| Unit Letter L | Section 32 | Township 19-South | Range 37-East | County Lea | |

| | | | | | |
|---|--------------------------------|--|-------------------------------|--------------------------------|--|
| Actual Footage Location of Well: 1980 feet from the South line and 760 feet from the West line | | | | | |
| Ground level Elev. 3575 | Producing Formation Penrose | | Pool Eumont Yates 7rvrs On | Dedicated Acreage: 80 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No
 - If answer is "yes" type of consolidation _____
 - If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

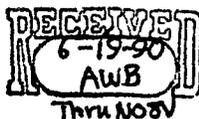


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Royce D. Mariott*
 Printed Name: Royce D. Mariott
 Position: Division Surveyor
 Company: Texaco Prod. Inc.
 Date: May 31, 1990

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: May 29, 1990
 Signature & Seal of Professional Surveyor: *John S. Piper*
 Certificate No.: 7254 John S. Piper



Texaco USA
Producing Department
Midland Division

PO Box 3109
Midland TX 79702-3109

25 JUN 1990

June 13, 1990

GOV - STATE AND LOCAL GOVERNMENTS
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Sec. 32, T-19-S, R-37-E
Eumont Yates 7 Rivers on (Pro Gas) Field
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Yours very truly,

C. P. Basham
Drilling Superintendent
on Behalf of Texaco Producing Inc.

CWH:cwh

File

WAIVER APPROVED:

COMPANY: Chevron U.S.A. Inc.

BY: Alan W. Bohling, Special Projects Engineer

DATE: June 21, 1990



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE JUN 25 AM 10 31

6-22-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

| | |
|-----|---|
| MC | _____ |
| DHC | _____ |
| NSL | _____ |
| NSP | <input checked="" type="checkbox"/> _____ |
| SWD | _____ |
| WFX | _____ |
| PMX | _____ |

Gentlemen:

I have examined the application for the:

| | | |
|------------------------------|-------------------|----------------|
| <i>Texaco Producing Inc.</i> | <i>State #3-L</i> | <i>3219-37</i> |
| Operator | Lease & Well No. | Unit S-T-R |

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed