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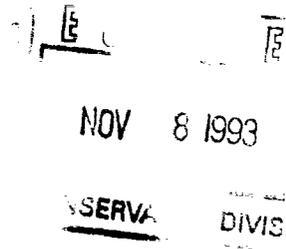
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November 8, 1994

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87503



Re: Application of Texaco Exploration and Production Inc. and Marathon Oil Company for approval of a pressure maintenance project, unorthodox injection well locations, and for Enhanced Oil Recovery Project Qualification for the Recovered Oil Tax Rate, Vacuum Drinkard Pool, Lea County, New Mexico

Dear Mr. LeMay:

Texaco Exploration and Production Inc. and Marathon Oil Company, hereby makes application for approval of a pressure maintenance project by injection of water into the Vacuum Drinkard Pool. The project area is as follows:

Township 17 South, Range 34 East, NMPM

Section 36: S/2 SE/4, SE/4 SW/4

Township 17 South, Range 35 East, NMPM

Section 31: S/2 SW/4

Township 18 South, Range 34 East, NMPM

Section 1: NE/4, E/2 NW/4, N/2 SE/4, SE/4 SE/4

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Township 18 South, Range 35 East, NMPM

Section 6: W/2, W/2 E/2, NE/4 NE/4

Enclosed is an original and a copy of Form C-108 with all attachments. By copy of this letter this application and attachments are being sent to the Division's Hobbs District Office.

Texaco Exploration and Production Inc. and Marathon Oil Company also seeks to qualify this pressure maintenance project for the Recovered Oil Tax Rate authorized by the Enhanced Oil Recovery Act. Also enclosed is all data required by the rules and procedures for qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate promulgated by Order No. R-9708.

We request that this application be included on the docket for the December 1, 1994 Examiner hearings. A copy of a legal advertisement for this hearing is also enclosed.

Your attention to this application is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC. and
MARATHON OIL COMPANY

WFC:mlh

cc: James Head (w/o enclosures)
Kevin Hickey (w/o enclosures)