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September 4, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

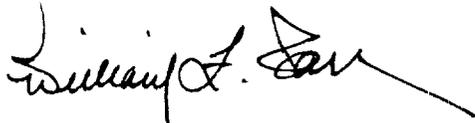
Re: Oil Conservation Division Case No. 11574:
Application of Texaco Exploration and Production Inc. for an Unorthodox Gas
Well Location and Simultaneous Dedication, Lea County, New Mexico

Dear Mr. LeMay:

Texaco Exploration and Production Inc., applicant in the above-captioned case, respectfully requests that this matter which is currently set on the Division docket for the September 5, 1996 Examiner hearings be dismissed.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Ron Lanning

RECEIVED
SEP 11 1996
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

September 4, 1996

Texaco Exploration & Production Inc.
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL-2894-A(SD)

Dear Mr. Carr:

Reference is made to your application dated August 13, 1996 for an unorthodox Jalmat gas well location in an existing non-standard 355.96-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots 1 and 2, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31 and the S/2 SW//4 of Section 32, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-2474, dated May 3, 1963 and had dedicated thereon the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 95) (API No. 30-025-10912), located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 31.

By Division Administrative Order NSL-2984(SD), dated February 4, 1991, an additional well, the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 3 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 97) (API No. 30-025-10909), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of said Section 31 was approved for the subject GPU.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following well recently drilled at an unorthodox Jalmat gas well location is hereby approved.

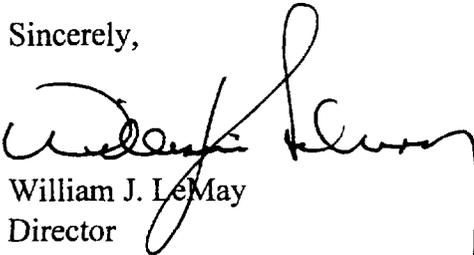
E. E. Blinebry "A" Federal (NCT-1) Com Well No. 4
(API No. 30-025-33430)
1870' FSL & 990' FWL (Lot 3/Unit L)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the

Administrative Order NSL-2894-A(SD)
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E. E. Blinebry "A" Federal (NCT-1) Com Well No. 4 with the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2 and 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-2984(SD)
Case 11574 ✓