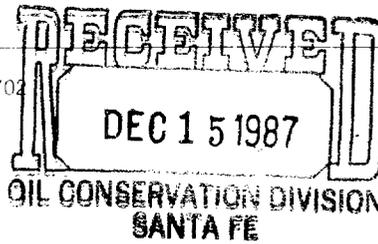




Texaco USA
Producing Department

PO Box 3109
Midland TX 79702



December 10, 1987

The New Mexico Oil Conservation Division
Department of Energy and Minerals
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

*(See also
Case No. 9275)*

RE: APPLICATION
Unorthodox Well Location
State of New Mexico "P" No. 13
Shipp-Strawn Pool
Section 32-T16S-R37E
Lea County, New Mexico

*10/2 SE/4 is to be
dedicated
Case 9300*

Gentlemen:

Texaco Producing Inc. hereby makes application to the Oil Conservation Division for an order which approves an unorthodox well location for the subject well and requests that proper notice be given and public hearing be held on January 20, 1988, or other appropriate time, to consider this matter.

Proposed Well Location
1350' From South Line, and
2410' From East Line,
Section 32-Twp 16S-Rge 37E,
Lea County, New Mexico

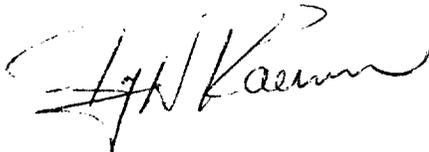
In support of this application, Texaco Producing Inc. presents the following:

1. The proposed well site is within one mile of the Shipp-Strawn designated field boundary. The Shipp-Strawn pool is a designated pool, and wells must be completed within an 80 acre spacing proration unit and be located within 150 feet of the center of a quarter-quarter governmental section.
2. The applicant believes that the proposed well will find an extension of the Shipp-Strawn pool. The proposed location, which is unorthodox, has been selected because of geological and geophysical reasons.

3. Texaco Producing Inc. will be the Operator of the proposed well, through its authorized agent, Texaco Inc., and is duly authorized to represent the interests of all owners of leasehold interest in said well.

4. A copy of this application will be sent by U.S. Postal Service, Certified Mail-Return Receipt Requested, to all owners of this well and to offset owners and/or unleased mineral interest owners whose acreage lies west and south of the spacing unit for the proposed well.

Respectfully Submitted:



R. H. Koerner
Attorney in Fact for Texaco Inc.
Attorney in Fact for Texaco Producing Inc.

FSH/so

cc: J. Scott Hall, Esq.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208