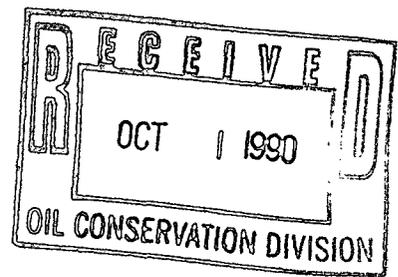


PO Box 730
Hobbs NM 88240
505 393 7191

September 28, 1990

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



Attention: Mr. David Catanach

RE: NON-STANDARD PRORATION UNIT
Eugene Coats Well No. 8
Jalmat Gas Pool
Unit J, Section 3, T-24-S, R-36-E
Lea County, New Mexico

(30-025-30821)

Gentlemen:

Texaco Producing Inc. respectfully requests a 320-acre non-standard proration unit for the referenced well. Eugene Coats Well No. 8 was recently drilled and completed in the Jalmat Gas Pool which requires a 640-acre standard proration unit. The Eugene Coats lease currently has five Jalmat oil producers (Well Nos. 1, 2, 3, 6, & 7) and two Langlie Mattix oil producers (Well Nos. 4 & 5). The five Jalmat oil producers are completed in the Seven-Rivers and the Eugene Coats No. 8 is completed in the Tansill and Yates.

Attached is a copy of the C-102 with the acreage dedicated to Well No. 8, a plat of the lease, and a list of offset operators that have been notified of this request by a copy of this letter.

Yours very truly,

J. A. Head
J. A. Head
Hobbs Area Manager

TWM
Attachments

*Hand Delivered by
Jerry Sexton 10/1/90
M.S.*

cc: New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

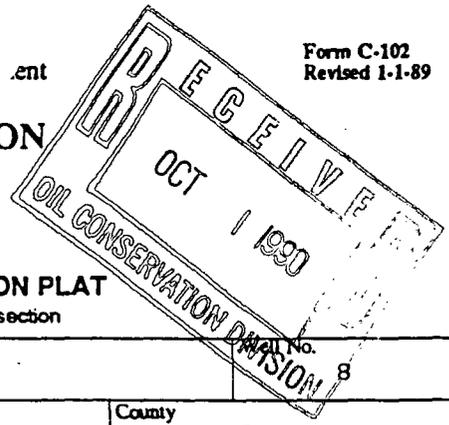
Offset Operators (Address List Attached)

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
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088



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

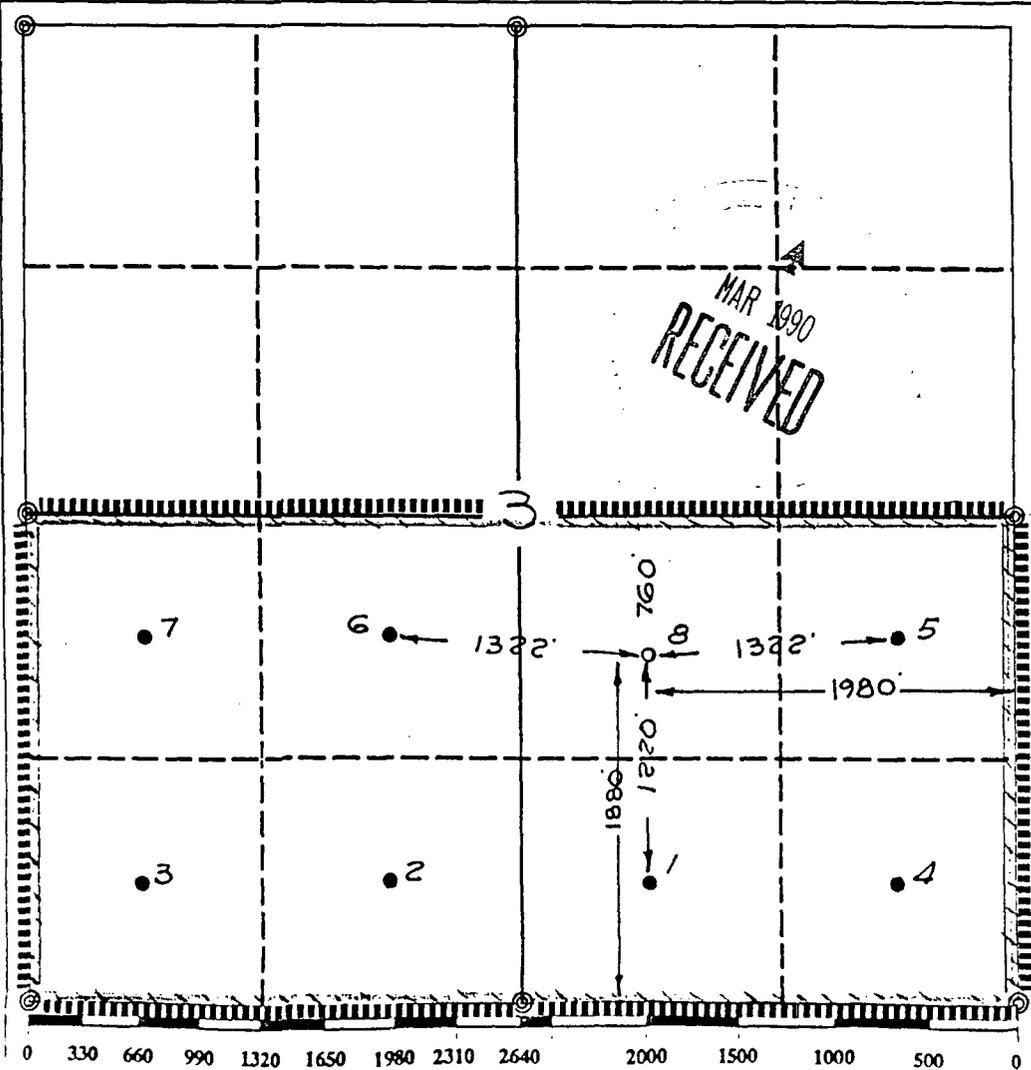
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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 EUGENE COATS		
Unit Letter J	Section 3	Township 24-South	Range 36-East	County Lea	NMPM
Actual Footage Location of Well: 1980 feet from the East line and 1880 feet from the South line					
Ground level Elev. 3387	Producing Formation Upper Jalmat		Pool Jalmat Pool	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



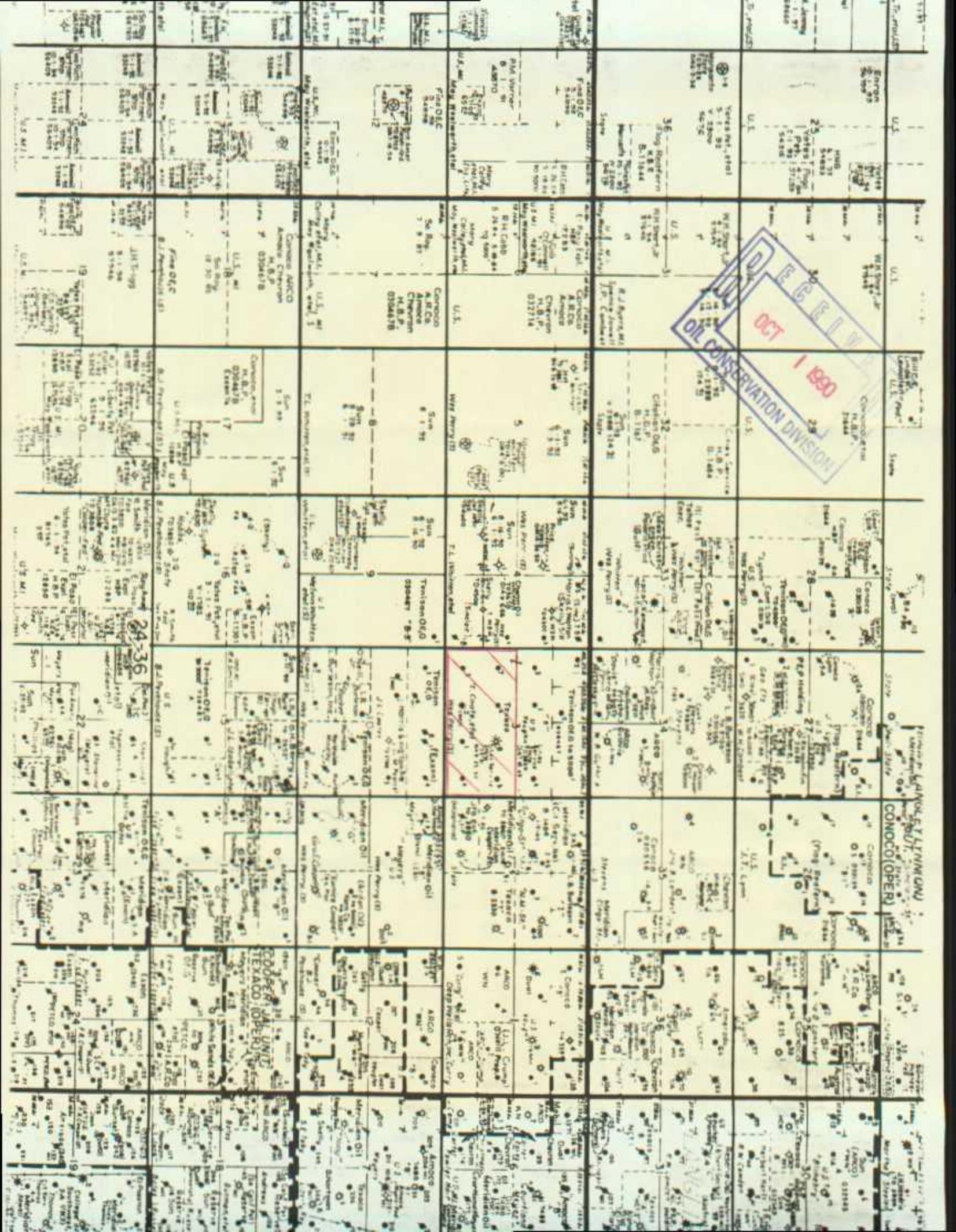
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Royce D. Mariott*
 Printed Name: Royce D. Mariott
 Position: Div. Surveyor
 Company: TEXACO PRODUCING INC.
 Date: Dec. 4, 1989

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: Nov. 29, 1989
 Signature & Seal of Professional Surveyor: *John S. Piper*
 Certificate No. 7254
 John S. Piper

OIL CONSERVATION DIVISION
OCT 1 1930

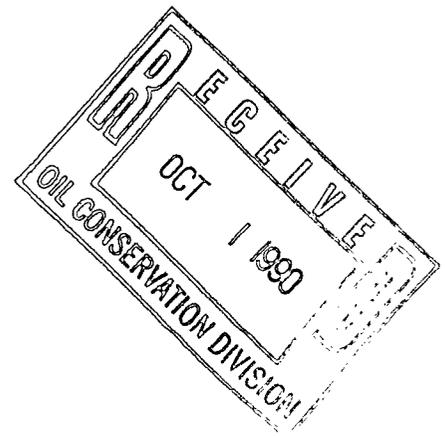


ADDRESS LIST OF OFFSET OPERATORS
TEXACO PRODUCING INC.'S EUGENE COATS LEASE

Harris & Walton
c/o Oil Reports & Gas Services, Inc.
Box 755
Hobbs, NM 88241

Meridian Oil Inc.
21 Desta Drive
Midland, TX 79705

Tenison Oil Company
8140 Walnut Hill Lane #601
Dallas, TX 75231



Is your RETURN ADDRESS completed on the reverse side?

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: Tenison Oil Company 8140 Walnut Hill Lane #601 Dallas, TX 75231	4. Article Number P 334 579 752
	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 checked="" type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

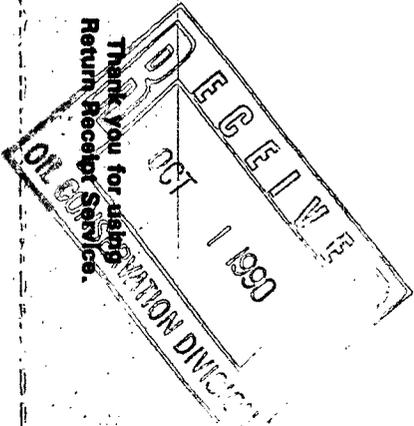
Is your RETURN ADDRESS completed on the reverse side?

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: MERIDIAN OIL INC. 21 DESTA DRIVE MIDLAND, TX 79705	4. Article Number P 334 579 751
	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 checked="" type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT



Thank you for using Return Receipt Service.

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

3. Article Addressed to: HARRIS & WALTON c/o OIL REPORTS & GAS SERVICES BOX 755 HOBBS, NM 88241	4. Article Number P 334 579 753
	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 checked="" type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery	

PS Form 3811, Apr. 1989 *U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

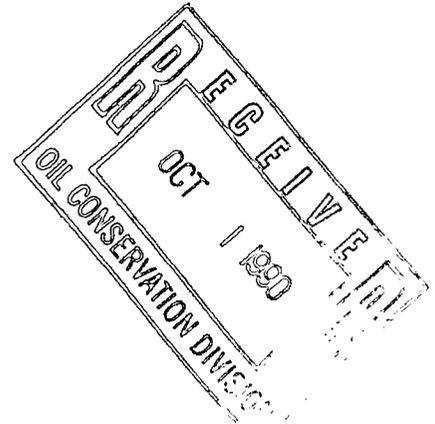


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

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 _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Levaco Producing Inc. *Eugene Coats #8-J 3-24-36*
 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