



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

February 14, 2002

Texaco Exploration & Production, Inc.
Permian Business Unit
15 Smith Road
Midland, Texas 79705
Attention: Scott M. Ingram

Telefax No. (915) 687-7905

Administrative Order NSL-4701

Dear Mr. Ingram:

Reference is made to the following: (i) your application that was submitted by telefax to the New Mexico Oil Conservation Division ("Division") on February 14, 2002 (*application reference No. pKRV0-204529663*); and (ii) the Division's records in Santa Fe: all concerning Texaco Exploration & Production, Inc.'s ("Texaco") request for an unorthodox wildcat Morrow gas well location for its proposed New Mexico "DF" State Com. Well No. 4 (API No. 30-015-31853) to be drilled 2310 feet from the South line and 1650 feet from the East line (Unit J) of Section 32, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

The E/2 of Section 32, being a standard 320-acre stand-up deep gas spacing and proration unit for the Morrow formation is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that Texaco seeks this location exception for both topographical and geological reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow wildcat gas well location within the 320-acre unit comprising the E/2 of Section 32 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe

