

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

POST OFFICE 80X 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

March 27, 1989

Texaco Producing, Inc. P.O. Box 728 Hobbs, NM 88240

Attention: L.J. Seeman, District Petroleum Engineer

Administrative Order NSL-2639

Dear Mr. Seeman:

Reference is made to your application of February 22, 1989 for a non-standard oil well location for your existing New Mexico "Z" State TN Well No. 1 located 660 feet from the North line and 2200 feet from the West line (Unit C) of Section 2, Township 18 South, Range 34 East, NMPM, Undesignated Vacuum Wolfcamp Pool, Lea County, New Mexico. Lots 3 and 4 of said Section 2 shall be dedicated to the well forming a standard 81.41-acre oil spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the Vacuum Wolfcamp Pool, as promulgated by Division Order No. R-2422, as amended, the above-described unorthodox oil well location is hereby approved.

Sincerely,

noffyn

for William J. LeMay Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs New Mexico Oil & Gas Engineering Committee - Hobbs New Mexico State Land Office - Santa Fe