



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 11, 1996

Texaco Exploration and Production Inc.
Attention: C. W. Howard
P. O. Box 3109
Midland, Texas 79702

Administrative Order NSL-3638

Dear Mr. Howard:

Reference is made to your application dated February 12, 1996 for a non-standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 (Unit B) of Section 19, Township 23 South, Range 30 East, NMPM, Lea County, New Mexico for your proposed Remuda Basin "19" Federal Well No. 2 to be drilled 510 feet from the North line and 1580 feet from the East line of said Section 19.

It is our understanding that the subject well is to be dually completed in the Undesignated Nash Draw-Brushy Canyon Pool and the Bone Spring formation. Both intervals of which are subject to the Division's General Rules and Regulations governing oil well locations [see **Rule 104.B(2)(c)** and **104.C(1)**] which requires wells to be no closer than 330 feet from the outer boundary of the designated 40-acre drilling tract.

The application has been duly filed under the provisions of **Rule 104.F** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General **Rule 104.F(2)**, the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad