



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

December 27, 1996

Texaco Exploration & Production Inc.
P. O. Box 730
Hobbs, New Mexico 88241-0730
Attn: Paula S. Ives

Administrative Order NSL-3748(SD)

Dear Ms. Ives:

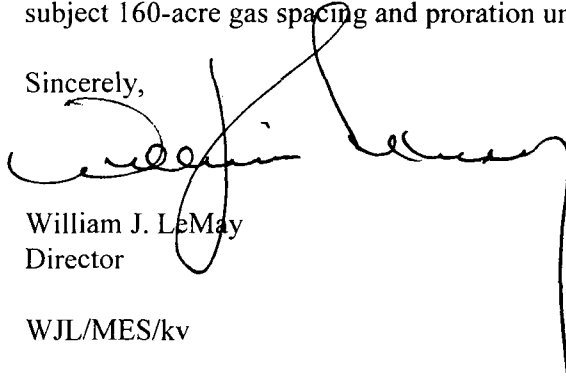
Reference is made to your application dated November 19, 1996 for an unorthodox Tubb gas well location in an existing standard 160-acre gas spacing and proration unit ("GPU") for said Tubb Oil and Gas Pool comprising the NW/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Said 160-acre tract currently has dedicated thereon the S. J. Sarkeys Well No. 1 (**API No. 30-025-06791**), located at a standard gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 26.

It is our understanding that the subject well in this application, the S. K. Sarkeys Well No. 5 (**API No. 30-025-22023**), was drilled in early 1967 to a total depth of 7,300 feet and completed in the Wantz-Abo Pool at a standard oil well location 330 feet from the North line and 2310 feet from the West line (Unit C) of said Section 26. It is our understanding that the Wantz-Abo interval will be properly plugged back at this time and that said well will be recompleted up-hole into the Tubb formation upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Tubb Oil And Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described S. K. Sarkeys Well No. 5, located at an unorthodox gas well location is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Tubb gas production from both the S. K. Sarkeys Well Nos. 1 and 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre gas spacing and proration unit from both wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs