



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 27, 2001

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: Tim Nein

AMENDED
Reinstatement of Division
Administrative Order NSP-1717

Dear Mr. Nein:

Reference is made to your letter dated March 12, 2001 requesting further revision to the provisions of Division Administrative Order NSP-1717, dated February 2, 1995, as revised by order dated March 6, 2001.

By Administrative Order NSP-1717, dated February 2, 2001, the Division initially established a non-standard 120-acre gas spacing and proration unit within the North Teague-Tubb Associated Pool comprising the NE/4 NW/4 and the S/2 NW/4 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to Texaco Exploration and Production, Inc.'s ("Texaco") B. F. Harrison "B" Well No. 25 (API No. 30-025-32499), located at a standard gas well location 825 feet from the North line and 1980 feet from the West line (Unit C) of Section 9.

On March 6, 2001 the Division issued a revision to this order changing well dedication of this 120-acre unit from the above-described B. F. Harrison "B" Well No. 25 to Texaco's B. F. Harrison "B" Well No. 12 (API No. 30-025-32172), located at an unorthodox gas well location 760 feet from the North line and 2100 feet from the West line (Unit C) of Section 9.

It is understood at this time that unforeseen economic circumstances caused Texaco to abandon its plans to complete the B. F. Harrison "B" Well No. 12 in the Tubb interval and that Texaco now intends to recomplete its B. F. Harrison "B" Well No. 25 in order to reestablish Tubb gas production.

Pursuant to the applicable provisions of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the North Teague-Tubb Associated Pool*," as promulgated by Division Order No. R-5353, as amended, the above-described 120-acre non-standard gas spacing and proration unit within the North Teague-Tubb Associated Pool is to be dedicated to Texaco's B. F.

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Harrison "B" Well No. 25.

This order shall serve to reinstate Division Administrative Order NSP-1717, dated February 2, 1995, to its full extent. Further, the revised order issued by the Division on March 6, 2001 is hereby rescinded.

Texaco is permitted to produce the allowable assigned the subject non-standard unit in accordance with the applicable provisions of the Division's associated pool rules based upon a unit size of 120 acres.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



LORI WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1717 (February 2, 1995)
NSP-1717 (L) [March 6, 2001]