



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

March 6, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

***Reinstatement of Division
Administrative Order NSP-1717 (L)***

Dear Mr. Nein:

Reference is made to your application dated January 31, 2001 to: (i) reinstate a previously approved 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; and (ii) for an exception to Rule 2 (b) 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.

By Division Administrative Order NSP-1717, dated February 2, 2001, this 120-acre unit was established and had dedicated 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.

It is our understanding that the Tubb interval in the B. F. Harrison "B" Well No. 25 has been abandoned and the well was plugged back and recompleted in the Blinbry formation.

It is further understood at this time that Texaco intends to establish Tubb gas production in the 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, by abandoning the Fusselman formation and recompleting up-hole into the gas bearing portion of the Tubb interval.

The subject application has been duly filed under the provisions of Rules 2 (c) and 4 (b) 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 hereby restored and the above-described unorthodox oil well location for the B. F. Harrison "B" Well No. 12 is hereby approved.

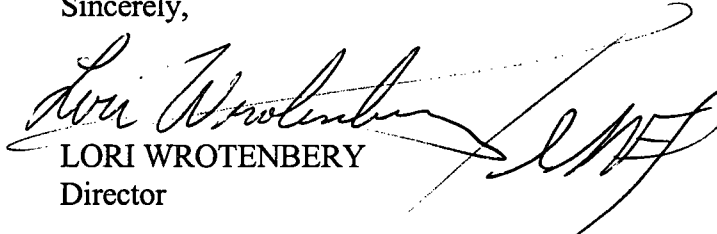
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Also, Texaco is hereby permitted to produce the allowable assigned the subject non-standard unit in accordance with the applicable provisions of the Division's associated pool rules based upon a unit size of 120 acres.

Further, Division Administrative Order No. NSP-1717 is hereby placed in abeyance until further notice.

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 /