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May 27, 1998

HAND DELIVERED

Mr. David R. Catanach, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

MAY 27 1998

CONSERVATION DIVISION

Re: *Case 11979: Application of Texaco Exploration and Production Inc. for a non-standard gas spacing and proration unit, or in the alternative, for compulsory pooling, Lea County, New Mexico*

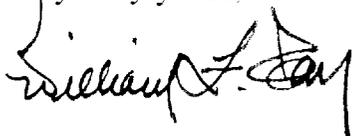
Dear Mr. Catanach:

The application in the above referenced case was originally filed by Texaco Exploration and Production Inc. seeking administrative approval of a non-standard spacing and proration unit for its E. H. B. Phillips "C" Well No. 2. On May 1, 1998 the Division advised that this application would not qualify for administrative approval and that a hearing would be required.

Texaco wrote the Division on May 6, 1998 and advised that it was currently reevaluating this acreage and its plans for future development and requested that the application not be set for hearing. Accordingly, Texaco requests that this application be dismissed when it is called at the May 28, 1998 Examiner Hearing.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR
Attorney for Texaco Exploration and Production Inc.

cc: Mr. Ron Lanning

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May 6, 1998

HAND DELIVERED

Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Administrative application for the creation of a non-standard 80-acre gas spacing and proration unit within the Undesignated Skaggs-Abo Gas Pool comprising the E/2 NW/4 of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its existing E.H.B. Phillips "C" Well No. 2 (API No. 30-025-33989) located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico*

Dear Mr. Stogner:

In response to your letter of May 1, 1998 to Texaco Exploration and Production Inc., Texaco is currently reevaluating the above referenced acreage and plans for future development, and therefore requests that this matter not be docketed for hearing at this time.

Your assistance in this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Mr. Ron Lanning