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January 12, 1999

HAND-DELIVERED

12123

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of Texaco Exploration and Production Inc. for amendment of Division Order No. R-9714 to amend the injection permit for the Vacuum Glorieta West Unit Well No. 108 and to establish an administrative procedure whereby additional wells within the Vacuum Glorieta West Unit Waterflood Project may be drilled and completed as horizontal injection wells, Lea County, New Mexico*

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Texaco Exploration and Production Inc. in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on February 4, 1999.

Your attention to this request is appreciated.

Very truly yours,

 for

WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Ronald W. Lanning (w/enclosures)
Texaco Exploration and Production Inc.
Post Office Box 3109
Midland, Texas 79702

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR AMENDMENT OF DIVISION ORDER NO. R-9714
TO AMEND THE INJECTION PERMIT FOR THE
VACUUM GLORIETA WEST UNIT WELL NO. 108
AND TO ESTABLISH AN ADMINISTRATIVE
PROCEDURE WHEREBY ADDITIONAL WELLS
WITHIN THE VACUUM GLORIETA WEST UNIT
WATERFLOOD PROJECT AREA MAY BE DRILLED
AND COMPLETED AS HORIZONTAL INJECTION
WELLS, LEA COUNTY, NEW MEXICO.

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OIL CONSERVATION DIV.

CASE NO. 12123

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby makes application for an order amending Division Order No. R-9714 to authorize the injection of water into the Glorieta and Paddock formations in horizontally drilled dual laterals in its Vacuum Glorieta West Unit Well No. 108 located in (Unit P) of Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Texaco also seeks the establishment of an administrative procedure whereby additional injection wells within the Vacuum Glorieta West Unit may be drilled and completed as horizontal injection wells. In support of its application, Texaco states:

1. By Order No. R-9710 dated August 25, 1992, the Division, upon the application of Texaco Exploration and Production Inc., approved the Vacuum-Glorieta West Unit which comprises 2778.86 acres, more or less, in Townships 17 and 18 South, Ranges 34 and 35 East, NMPM, Lea County, New Mexico. The unit boundaries include the following acreage in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 24: SW/4, SW/4 NW/4, SW/4 SE/4
Section 25: All
Section 26: E/2 SE/4
Section 35: NE/4, N/2 SE/4, SE/4 SE/4
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 30: Lots 1, 2, 3, 4 (W/2 W/2)
Section 31: Lots 1, 2, 3, 4 (W/2 W/2)

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 1: Lots 1, 2, 3, 4 (N/2 N/2), S/2 NE/4
Section 2: Lot 1 (NE/4 NE/4)

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 6: Lots 1, 2, 3, 4, 5, SE/4 NW/4, S/2 NE/4 (N/2)

2. By Order No. R-9714, dated September 3, 1992, the Division approved the Vacuum-Glorieta West Unit Waterflood Project in said unit for the injection of water into the Glorieta and Paddock formations.

3. On July 14, 1998, the Division authorized Texaco to conduct an injectivity test in the Vacuum Glorieta West Unit Well No. 108 which had been horizontally drilled (Dual

laterals) within the Glorieta and Paddock formations to increase the sweep efficiency of these waterflood operations.

4. Texaco seeks to amend Order No. R-9714 which originally approved the Vacuum Glorieta West Unit Well No. 108 as a conventional vertical injection well to authorize its continued use as a horizontal injection well and to establish an administrative procedure whereby additional wells within the Vacuum Glorieta West Unit may be drilled and completed as horizontal injection wells.

5. Approval of this application will afford Texaco the opportunity to produce its just and equitable share of the remaining reserves in the Vacuum Glorieta West Unit Waterflood Project Area and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 4, 1999, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:  *Paul R. Carr, for*
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
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ATTORNEYS FOR TEXACO EXPLORATION
AND PRODUCTION INC.

CASE 12123.

Application of Texaco Exploration and Production Inc. for amendment of Division Order No. R-9714 to amend the injection permit for the Vacuum Glorieta West Unit Well No. 108 and to establish an administrative procedure whereby additional wells within the Vacuum Glorieta West Unit Waterflood Project Area may be drilled and completed as horizontal injection wells, Lea County, New Mexico. Applicant seeks amendment of Division Order No. R-9714 to authorize the injection of water through two horizontally drilled dual laterals into the Glorieta and Paddock formations in its Vacuum Glorieta West Unit Well No. 108 and for the establishment of an administrative procedure whereby additional wells may be drilled and completed as horizontal injection wells. The Vacuum Glorieta West Unit Pressure Maintenance Project encompasses portions of Sections 24 through 26 and 35 and 36 of Township 17 South Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Sections 1 and 2 of Township 18 South, Range 34 East; and Section 6 of Township 18 South, Range 35 East, N.M.P.M. Said waterflood project is located approximately ___ miles _____ of _____, New Mexico.

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