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OIL CONSERVATION DIV.
AUG 15 2000
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August 15, 2000

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 Pacheco Street
Santa Fe, New Mexico 87503

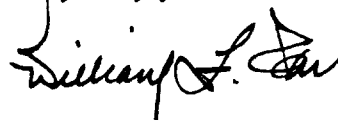
13787

***Re: Application of Texaco Exploration and Production Inc. for an unorthodox
gas well location, Eddy 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 Exploration and Production Inc. respectfully requests that this matter be placed on the docket for the September 7, 2000 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc w/enc.: Mr. Mike Mullins
Texaco Exploration and Production, Inc.

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

**IN THE MATTER OF THE APPLICATION
OF TEXACO EXPLORATION AND PRODUCTION, INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12487

OIL CONSERVATION DIV.
AUG 15 PM 2:06

APPLICATION

COMES NOW TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco"), through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an exception to the provisions of General Rule 104.C (2) (a) for an unorthodox gas well locations, and in support of this application states:

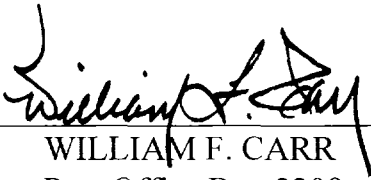
1. Texaco is the operator of the Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 Equivalent) of Section 3, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico on which it proposes to drill its Cotton Draw Unit Well No. 89 to test the Wolfcamp formation, Undesignated Big Sinks-Wolfcamp Gas Pool, at an unorthodox gas well location 250 feet from the South line and 1980 feet from the East line of said Section 3.
2. Texaco seeks an exception to the provisions of Rule 104 C. (2) (a) of the Division's General Rules and Regulations to permit it to drill at this unorthodox gas well location.
3. A standard 319.38-acre spacing and proration unit comprised of the E/2 Equivalent of said Section 3 will be dedicated to the well.

4. Approval of this application will be in the best interest of conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Texaco Exploration and Production Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 7, 2000 and that, after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

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

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEY FOR TEXACO EXPLORATION
AND PRODUCTION, INC.

CASE 12487 : Application of Texaco Exploration and Production Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks authorization to drill a well to the Wolfcamp formation, Undesignated Big Sinks-Wolfcamp Gas Pool, at an unorthodox well location 250 feet from the South line and 1980 feet from the East line (Unit O) of Section 3, Township 25 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 Equivalent) of said Section 3 is to be dedicated to said well forming a standard 319.38 gas spacing and proration unit. Said unit is located approximately 32 miles southeast of Loving, New Mexico.