



Texaco Exploration and Production

February 15, 1999

NMOCD
1625 N. French Drive
P.O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. Chris Williams

Subject: Application for Non Standard Location approval for the Texmack 6 State No. 1
(Originally named Anderson Ranch Unit #1)
3235' FNL, 1991' FWL, Section 6, T-16S, R-32E
Lea County, New Mexico

Dear Mr. Williams:

Texaco Exploration and Production Inc. respectfully requests approval for a non-standard location for the TEXMACK 6 STATE NO. 1. The referenced well is non-standard by four feet as shown by the attached plat.

The Anderson Ranch Unit #1 was originally drilled in 1954 by Continental Oil Company. The well was drilled to a depth of 14,015' before being plugged back and cased to 12,609'. The Morrow was tested at 360 BCPD, 0 BWPD, and 5 MMCFD. This zone was produced for a short period prior to setting a CIBP and testing the Pennsylvania and the Wolfcamp in 1957. Following these tests, the well was plugged and approximately 5,000' of casing was recovered in October, 1957.

In March, 1960, Aztec Oil and Gas Company re-entered the well in order to test three intervals above 5,000'. No commercial production was found and the well was once again plugged in April, 1960.

The planned work involves re-entering the well, squeezing all existing perforations and tying the 7" casing string back to surface. The Morrow will then be perforated and tested. The Morrow is planned to be both acidized and fracture stimulated with a small sand fracture. If the Morrow is non-commercial, a CIBP will be set and the Atoka will be tested. The Atoka test includes an acid stimulation. Both zones will most likely also have bottom hole pressure build-ups of five days duration.

The initial portion of the work is planned to be completed using a drilling rig through reaching PBTD. A service rig will then be used for the remainder of the completion work.

Attached is a waiver from Chevron USA, the single offset operator. They have no objection to this re-entry.

If you have any questions concerning this application, please contact J. Denise Leake at (505) 397-0405.

Sincerely,

J. Denise Leake
Engineering Assistant
Texaco Exploration and Production, Inc.

Cc: Mr. David Catanach