

cc file

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March 4, 1999

Mr. Chris Williams, District Supervisor
Oil Conservation Division, District I
Post Office Box 1980
Hobbs, New Mexico 88240

Re: Request for authorization to commence horizontal drilling and injection into the
Vacuum Glorieta West Unit Well No. 93, Vacuum Glorieta West Unit, Lea County,
New Mexico

Dear Mr. Williams:

This letter confirms our telephone conversation of March 3, 1999 in which you gave verbal approval to Texaco to commence operations on the Vacuum Glorieta West Unit Well No. 93 to convert it to a horizontal injection well and commence injection therein. As we discussed, this well was the subject of Oil Conservation Division Case No.12123 which was heard on February 4, 1999. In that case, Texaco is seeking approval of a Horizontal Injection Project Area for this well and others in the southern portion of the Vacuum Glorieta West Unit. A rig has become available to commence work on this well prior to the entry of an order in this case and David Catanach, the Hearing Examiner in this case, has given his approval to Texaco to commence operations on this well.

Enclosed for your information is a copy of our letter to Mr. Catanach which further explains the circumstances behind this request.

If you have questions concerning this matter, please advise.

Very truly yours,



WILLIAM F. CARR
Attorney for Texaco Exploration and Production Inc.
WFC:mlh
Enc.

cc: Kevin Hickey
Texaco Exploration and Production Inc.

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March 2, 1999

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

Re: *Request for authorization to commence horizontal and injection in the Vacuum Glorieta West Unit Well No. 93, Vacuum Glorieta West Unit, Lea County, New Mexico*

Dear Mr. Catanach:

Texaco Exploration and Production seeks authorization to commence drilling and horizontal injection in its Vacuum Glorieta West Unit Well No. 93 (API No. 3002531810) located in Unit K of Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. This well is an injection well in the Vacuum Glorieta West Unit Waterflood Project which was approved by Order No. R-9714 dated September 3, 1992.

In mid 1998, Texaco obtained from the Division temporary authority to conduct a six month injectivity test into two horizontal laterals in its Vacuum Glorieta West Unit Well No. 108. On February 4, 1999 in Case 12123, Texaco came before the Division and presented evidence in support of permanent authorization for horizontal injection in the Unit Well No. 108 and also sought an administrative procedure whereby additional wells can be used for horizontal injection in a "Horizontal Injection Project Area" located in the southern portion of the Vacuum Glorieta West Unit Waterflood Project. If The Division approves the Horizontal Injection Project Area requested in Case 12123, applications of this nature can be handled administratively pursuant to division Rules 111 and 710.