



Texaco USA
Producing Department
Midland Division

PO Box 3109
Midland TX 79702-3109

June 13, 1990

GOV - STATE AND LOCAL GOVERNMENTS
NON-STANDARD GAS PRORATION UNIT
State "H" Well No. 3
Eumont Yates 7 Rivers on (Pro Gas) Field
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception, by administrative approval, to Rule 104, D. II. is requested for Texaco Producing Inc.'s State "H" Well No. 3. This well is located 1980' FSL & 760' FWL, Unit Letter "L", of Section 32, T-19-S, R-37-E.

This well must be drilled in this location to ensure proper development of the field. Wells drilled previously on Non-Standard Gas Proration Units in this field have proven to be viable wells. It will be completed in the Penrose formation.

The offset operators of this lease have been notified of this request. Attached is Form C-102, offset operator's list with proof of notification, and a lease plat showing the location of the subject well.

Yours very truly,

C. P. Basham
Drilling Superintendent
on Behalf of Texaco Producing Inc.

CWH:cwh

Attachment

cc: NMOCD, P. O. Box 1980, Hobbs, NM 88240