



Texaco Exploration and Promotion into 50 Consider Matana Producina I. I. C.

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March 22, 1995

GOV - STATE AND LOCAL GOVERNMENTS NON-STANDARD GAS PRORATION UNIT Eumont "16'" State Well No. 1 Eumont Yates 7 Rivers Queen (Pro Gas) Field Lea County, New Mexico

State of New Mexico Energy and Minerals Department Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception, by administrative approval, to Rule 104, D. II. is requested for the captioned well. This well is located 1930' FNL & 760' FWL, Unit Letter "E", of Section 16, 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 and the offset operator's list with proof of notification. Any questions concerning this request should be directed to me at (915) 688-4606.

Yours very truly,

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C. W. Howard Engineer's Assistant

CWH: cwh

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