ASL-3600-A (SD)
8/27/96

August 1, 1996

Attn: Mr. William J. LeMay   Mr. Jerry T. Sexton
             NMOCD   NMOCD
             2040 South Pacheco   P.O. Box 1980
             Santa Fe, New Mexico 87505   Hobbs, New Mexico 88240

Re: Application for Simultaneous Dedication (King "C" #'s 1, 2, & 5)
     and Unorthodox Gas Well Location (King "C" #2)
     Jalmat Tansill Yates Seven Rivers Queen (Pro Gas)
     King "C" #1 located in Unit Letter G, Section 1, Township 23 South, Range 36 East
     King "C" #2 located in Unit Letter B, Section 1, Township 23 South, Range 36 East
     King "C" #5 located in Unit Letter A, Section 1, Township 23 South, Range 36 East
     Lea County, New Mexico

Dear Mr. LeMay and Mr. Sexton:

Texaco Exploration & Production Inc., respectfully requests administrative approval to simultaneously dedicate Jalmat production from the King "C" #1, #2, & #5 wells on the NE/4 of Section 1, T23S, R36E (160 acres). Also requested is administrative approval for an unorthodox well location for the King "C" #2.
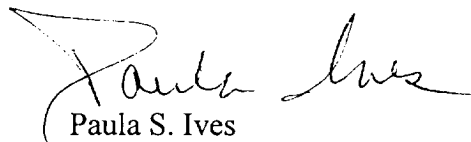
At this time, the King "C" #2 is completed in the Langlie Mattix interval. Texaco intends to plug back uphole from the Langlie Mattix and recomplete to the Jalmat gas zone. This change in status from oil producer in the Langlie Mattix zone to gas producer in the Jalmat zone necessitates the underlying 160 acres be simultaneously dedicated to all three producers.

Attached is NMOCD form C102 identifying the proposed situation on the subject 160 acre proration unit. Also attached is a list of offset operators for this unit.

Texaco believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Jalmat gas reserves from the subject acreage.

Texaco has notified offset operators of this application by copy of this application package sent by certified mail. If you need further information concerning this matter, please contact me at (505)-397-0432, Thank you for your consideration of this proposal.

Sincerely,

Paula S. Ives
Engineer Assistant

attachments

cc: Offset Operators