



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 16, 1996

Texaco Exploration & Production Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: C. Wade Howard

Administrative Order NSL-2894-B(SD)

Dear Mr. Howard:

Reference is made to your application dated September 24, 1996 for an unorthodox Jalmat gas well location in an existing non-standard 355.96-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots ³ and ⁷, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31 and the S/2 SW//4 of Section 32, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-2474, dated May 3, 1963 and had dedicated thereon the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 95) (API No. 30-025-10912), located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 31.

By Division Administrative Order NSL-2984(SD), dated February 4, 1991, a second well, the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 3 (also designated the OXY USA, Inc. Myers Langlie Mattix Unit Well No. 97) (API No. 30-025-10909), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of said Section 31 was approved for the subject GPU.

By Division Administrative Order NSL-2984-A(SD), dated September 4, 1996, an additional well, the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 4) (API No. 30-025-33430), located at an unorthodox gas well location 1870 feet from the South line and 990 feet from the West line (Lot 3/Unit L) of said Section 31 was approved for the subject GPU.

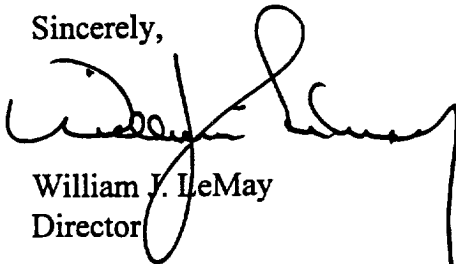
By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following well to be drilled at an unorthodox Jalmat gas well location in said Section 31 is hereby approved.

Administrative Order NSL-2894-B(SD)
Texaco Exploration & Production, Inc.
October 16, 1996
Page 2

**E. E. Blinebry "A" Federal (NCT-1) Com Well No. 5
1140' FSL & 1584' FWL (Unit N)**

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 5 with the E. E. Blinebry "A" Federal (NCT-1) Com Well No. 2, 3, and 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-2984(SD)
NSL-2894-A(SD)

