



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

August 21, 1999

**Texaco Exploration and Production Inc.  
205 E. Bender Blvd.  
Hobbs, New Mexico 88240**

**Attention: Denise Wann**

**Re: Division Administrative Order SD-99-6.**

Dear Ms. Wann:

Your letter dated August 2, 1999 requesting the Division amend Administrative Order SD-99-6, dated May 13, 1999, to reflect the size of the dedicated acreage within the Justis (Glorieta) Gas Pool for Texaco's existing G. L. Erwin "B" Federal NCT-2 Well No. 2 (API No. 30-025-11363) has served to completely confuse me. I will refer you to several documents in the hope that you will be able to clarify this matter.

Spacing in the Justis (Glorieta) Gas Pool is 320 acres, per Division Order No. R-8170, as amended. Division Administrative Order NSP-720, dated October 27, 1965 established a non-standard 160-acre unit that comprised the SE/4 of Section 35, Township 24 South, range 37 East, NMPM, Lea County, New Mexico. Verification of this 160-acre unit exists in the Division's well file, see copy of Form C-102 dated November 10, 1965. However, a Form C-102 dated March 7, 1966 indicates that 320-acres comprising the S/2 of Section 35 was re-dedicated to this well. On June 15, 1995 Texaco submitted information in an application for an unorthodox infill gas well location on this 320-acre unit for the G. L. Erwin "B" Federal NCT-2 Well No. 1, which resulted in the issuance of Division Administrative Order NSL-3550(SD). Your application of April 5, 1999 shows 320 acres. Finally the information on the Division's ONGARD system indicated that 320-acres is the appropriate dedicated acreage for this well.

There is enough information in the Division's records indicating that Division Administrative Order NSP-720 no longer exists and is no longer in effect. Should this not be the case it will be necessary for Texaco to request the reinstatement of Administrative Order NSP-720 by submitting a complete application for the creation of a 160-acre non-standard gas spacing and proration unit per all applicable rules and regulations.

It will be necessary to clarify this matter as soon as possible before any further corrective actions in the form of shut-in notices are taken. In the interim the provisions of Administrative Order SD-99-6 will be held in abeyance until further notice.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad