



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 13, 1999

Texaco Exploration & Production Inc.
205 East Bender
Hobbs, New Mexico 88240
Attention: Denise Wann

Administrative Order SD-99-6

Dear Ms. Wann:

Reference is made to the following: (i) your application dated April 5, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, all concerning your request to simultaneously dedicate gas production from the prorated Justis (Glorieta) Gas Pool within an existing standard 320-acre gas spacing and proration unit ("GPU") that comprises the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

Texaco Exploration & Production Inc. ("Texaco") is hereby authorized to simultaneous dedicate Glorieta gas production from both of the following described wells to this 320-acre GPU:

- its existing G. L. Erwin "B" Federal NCT-2 Well No. 2 (API No. 30-025-11363), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 35; and,
- its existing G. L. Erwin "B" Federal NCT-2 Well No. 9 (API No. 30-025-33384), located at a standard gas well location 900 feet from the South line and 990 feet from the East line (Unit P) of Section 35.

Texaco is hereby permitted to produce the allowable assigned this standard 320-acre GPU from both wells in any proportion.

Further, Division Administrative Order NSL-3550 (SD), issued on July 27, 1995, authorized Texaco to: (i) recomplete its G. L. Erwin "B" Federal NCT-2 Well No. 1 (API No. 30-025-11362) at an unorthodox infill gas well location 660 feet from the South and East lines (Unit P) of Section 35 from the North Justis-Paddock Pool to the Glorieta interval, and (ii) simultaneously dedicate gas production attributed to the Justis (Glorieta) Gas Pool within this 320-acre GPU from this well and the above-described G. L. Erwin "B" Federal NCT-2 Well No. 2. The well records indicate that the workover attempt on the G. L. Erwin "B" Federal NCT-2 Well No. 1 failed; therefore, Division Administrative Order NSL-3550 (SD) shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs ✓
U. S. Bureau of Land Management - Carlsbad
File: NSL-3550(SD)