



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

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Midland TX 79702

December 18, 1996

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Location

G. L. Erwin "B" Federal NCT-2 Well No. 10
Justis Blinebry and Justis Tubb Drinkard Fields
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 to Rule 104 F. (2) by administrative approval, is requested for the captioned well. This well is located 2450' FSL & 1225' FEL, Unit Letter "I", of Section 35, T-24-S, R-37-E.

This well must be drilled in this location due to geological conditions. As seen on the attached map, this location is approximately equidistance to the offsetting 40 Acre producers. The proposed location will encounter laterally discontinuous reservoirs that can not be depleted from existing wellbores. If secondary recovery operations are needed in the future, the proposed location will allow the implementation of standard patterns.

Texaco is the only "affected offset operator" to this location. Both the subject lease and the affected offset lease are Federal leases with no overriding royalty owners. Attached is Form C-102 for this well.

Yours very truly,

C. W. Howard
Engineer Assistant

CWH:CES Attachments cc: BLM, Roswell, NM