

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



DHC-2963

COMMERCIAL RESOURCES

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ROYALTY MANAGEMENT

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Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.

October 17, 2001

Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702

Attn: Mr. Charles R. Wolfe

Re: Application for Downhole Commingling
NM "EA" State Well No. 1
Unit Letter A, Section 24-18S-37E
Wildcat (Drinkard) and Wildcat (Abo) Pools
Lea County, New Mexico

Dear Mr. Wolfe:

Your application to downhole commingle the production from within the wellbore of the above-captioned well was received on September 26, 2001. Your application requests our approval to downhole commingle the Wildcat (Drinkard) and Wildcat (Abo) production within the wellbore of the NM "EA" State Well No. 1 located in Unit Letter A, Section 24-18S-37E, Lea County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil %</u>	<u>Gas %</u>
Wildcat (Drinkard)	30%	95%
Wildcat (Abo)	70%	5%
	-----	-----
	100%	100%

Since it appears that the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

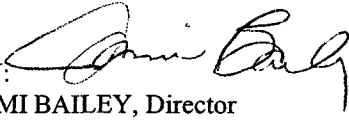
Please submit your \$30.00 dollar filing fee.

Texaco Exploration & Production, Inc.
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If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach