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Hobbs Operating Unit

Texaco Exploration and Production Inc. 205 East Bender Hobbs, New Mexico 88240 505 393-7191 tel 505 397-0450 fax

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March 30, 2000

NMOCD P.O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. Mark Ashley

Subject: Notification of Intent to Commingle Production

Dear Mr. Ashley,

Texaco Exploration and Production, Inc. respectfully requests administrative approval with the attached application to amend the NMOCD Commingling Order PLC-123 to include the Remuda Basin State #9 (Ltr N, 660' FSL and 1980' FWL, Sec. 30. T-23-S, R-30-E) and #10 (Ltr M, 825' FSL and 825' FWL, Sec. 30, T-23-S, R-30-E), and any other new drill wells in the west half of section 30, into the Remuda Basin Central tank battery (Ltr O, Sec. 19, T-23-S, R-30-E). The wells are completed and produce from the SW Forty Niner Ridge Delaware pool. API gravity of the oil is 36 @ 60 degrees. The lease is operated by Texaco Exploration and Production Inc. and has 50% of the gross working interest in these two wells.

I have attached a plat showing the location of both the producing and proposed wells and the battery. Also enclosed is a copy of the commingling order. Initially, the wells will be tested at a temporary tester located at Remuda Basin State #3 (Ltr K, Sec. 30, T-23-S, R-30-E). From there, they will tie into the #3 flowline and produce into the State separator located at the central tank battery. At this time, facilities are being ordered to build the Remuda Basin satellite that will take in the production from wells #3, #9, #10, and any future wells that may be drilled.

Currently, the well tests are as follows:

Remuda Basin State #9 27 Oil 238 H2O 21 MCF Remuda Basin State #10 53 Oil 200 H2O 61 MCF

The oil will be sold by truck to Equilon. Water from the battery is injected into a disposal well. The gas will be sold to Highland at the location of the satellite. Please find enclosed one original and two copies of the New Mexico Oil Conservation Division form C-103 and one copy of the Bureau of Land Management form 3160-5 for each well. If you have any questions concerning this request, please contact me at 397-0447.

Yours very truly.

Bobby J. Hill

Engineer's Assistant





## Hobbs Operating Unit

Texaco Exploration and Production Inc. 205 East Bender Hobbs, New Mexico 88240 505 393-7191 tel 505 397-0450 fax

May 1, 2000

NMOCD P.O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. Mark Ashley

Re: Notification of Intent to Commingle Production

Dear Mr. Ashley,

Please find enclosed copies of return receipts for the notification of part interest owners to surface commingle the Remuda Basin State wells #9, #10, and other new drill wells in the west half of section 30; T-23-S; R-30-E, into the Remuda Basin central tank battery. If you have any questions, please feel free to call me at (505) 397-0447.

Yours very truly,

Bobby J. Hill

Engineer's Assistant

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PS Form 3811, December 1994

Domestic Return Receipt

102595-99-B-0223

reverse side?	SENDER:  Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee):  1. □ Addressee's Address 2. □ Restricted Delivery	
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