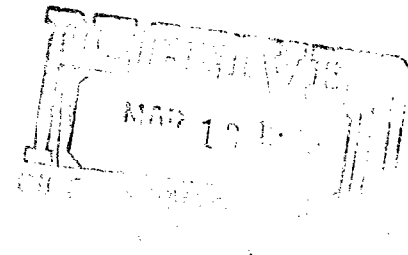




Texaco USA

PC-515
HOB
500

March 8, 1989



New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RE: Cancellation of Surface Commingling
Permit No. PC-515
Baker "A" Lease
Lea County, New Mexico

Gentlemen:

Texaco Producing Inc. requests that Permit No. PC-515, which allows the Langlie Mattix and Drinkard Pools to be surface commingled on the Baker "A" Lease, be cancelled. The Baker "A" Lease consists of 160 acres located in Section 26, T-22-S, R-37-E.

Cancellation is appropriate since there are no remaining active wells on the Lease. The Lease consists of one Drinkard well (No. 1) and three Langlie Mattix wells (Nos. 4, 5 and 6). Well No. 1 has been shut-in since February 15, 1985 pending plug and abandonment. Well No. 5 was plugged and abandoned in January, 1985 due to uneconomical production. Well Nos. 4 & 6 were plugged and abandoned in February, 1989.

Yours very truly,

L. J. Seeman / Sub.

L. J. Seeman
District Petroleum Engineer

LDR/RH:JRB