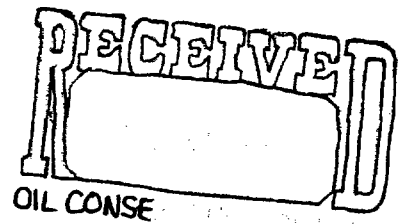


PC



TEXACO
U.S.A.

A DIVISION OF TEXACO INC.
P. O. BOX 728
HOBBS, NEW MEXICO 88240
(505) 393-7191

June 19, 1984

GOV STATE AND LOCAL GOVERNMENTS
New Mexico Oil Conservation Div.
NEW MEXICO 'BH' STATE NCT-1
Sec. 11-12S-32E
Lea County, New Mexico

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. R. L. Stamets

Gentlemen:

Texaco will market gas from the New Mexico 'BH' State NCT-1 well number 3 (Strawn Gas) and well number 2 (Wolfcamp oil well gas) through an existing line to a sales point on the J. H. Moore NCT-1 lease to Warren Petroleum Company.

Currently the gas produced from the 'BH' NCT-1 #3 is measured before it leaves the lease. Well #2 has been successfully reworked and will produce a small quantity of gas.

Texaco requests authority to commingle the Wolfcamp gas with the Strawn gas from #3 after it is measured and allocate gas production from the Wolfcamp by deducting the measured Strawn volume from the Warren purchased volume.

Yours very truly,

A handwritten signature in cursive script, appearing to read "J. A. Schaffer".
J. A. SCHAFFER

REL/NGR
FJK

File
Chrono

