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October 17, 1994

Jim Morrow Hearing Examiner Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

Re: Case 11100

Application of Texaco Exploration and Production Inc. for downhole commingling, San Juan County, New Mexico

Dear Jim:

In response to your questions of Texaco's engineering witness at the October 13, 1994 hearing in the above-referenced application, I can advise that Texaco has dedicated the N/2 of Section 23, Township 29 North, Range 12 West to its H.J. Loe Federal "B" Well No. 2E.

Notice was given to all interest owners offsetting the N/2 of this section as well as all interest owners within the property.

If you have further questions concerning this application, please advise.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
cc: Mr. Rached Hindi
Texaco Exploration and Production Inc.
3300 North Butler
Farmington, New Mexico 87401