



CERTIFIED MAIL

February 16, 1999

To:

Subject: Net Working Interest Holder Notification
Amendment to Commingling Order & Off-Lease Storage PC-266
E. H. B. Phillips "B" Lease
Eumont Yates 7 Rvrs Qn (Pro Gas), Monument Tubb, Skaggs Drinkard
Section 10, T-20-S, R-37-E
Lea County, New Mexico

Dear Interest Working Holder,

Attached is a copy of Texaco Exploration and Production Inc.'s application for N.M.O.C.D. administrative approval to amend the Commingling Order and off-lease storage PC-266, to include Skaggs Abo production from the E.H.B. Phillips C lease. Please see the attached explanation and description of the lease commingling process as proposed by Texaco.

N.M.O.C.D. regulations require any objections to this proposal be made within twenty days of the receipt of this letter. If you have no objection to the proposal, please sign the attached waiver and return it to Texaco in the self addressed envelope. Questions concerning this matter should be directed to myself at (505)397-0432, or Alan Chase (505)397-0428.

Thank you for your consideration of this proposal.

Sincerely,

Paula S. Ives
Engineer Assistant
Hobbs Operating Unit

Attachments

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 12170 Exhibit No. 5

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: April 29, 1999

Interest Working Holders:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

TEXACO EXPLORATION AND PRODUCTION

Amendment to Commingling Order & Off-Lease Storage PC-266 to add Skaggs

. Abo production

E. H. B. Phillips "B" Lease

Eumont Yates 7 Rvrs Qn (Pro Gas), Monument Tubb, Skaggs Drinkard

Section 10, T-20-S, R-37-E

Lea County, New Mexico

I do hereby waive any objection to Texaco Exploration and Production Inc's request for NMOCD administrative approval to amend the Commingling Order & Off-Lease Storage PC-266 to include Skaggs Abo production from the E.H.B. Phillips C Lease.

Signed: _____

Title: _____

Company: _____

Date: _____



February 16, 1999

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

RE: Amendment to Commingling Order & Off-Lease Storage PC-266
E. H. B. Phillips "B" Lease
Eumont Yates 7 Rvrs Qn (Pro Gas), Monument Tubb, Skaggs Drinkard
Section 10, T-20-S, R-37-E
Lea County, New Mexico

Texaco Exploration and Production Inc. respectively requests an amendment to the Commingling Order and Off-Lease Storage PC-266 to add Skaggs Abo production from the E.H.B Phillips "C" lease. Approval for the surface commingling and off-lease storage of production for the Monument Tubb and Skaggs Drinkard was obtained in 1965. Texaco proposes to commingle the production from the Eumont Yates 7 Rvrs Qn (Pro Gas), Monument Tubb, Skaggs Drinkard, and Skaggs Abo at the above battery.

Production will continue to be allocated to each lease by well tests. I have notified all of the working interest ownership on these wells/pools/ leases. Please see attached a copy of the ownership's and their waiver to objection.

I have attached a plat showing the location of the wells, leases, and battery. Also attached is a schematic of the tank battery. The oil will continue to be sold to Texaco Trading & Transportation Inc., and the gas will continue to be sold to Dynegy. Water from the battery is disposed of by Rice.

If you have any questions concerning this request, please contact me at 397-0432, or Alan Chase 397-0428. Thank you for your assistance in this matter.

Sincerely,

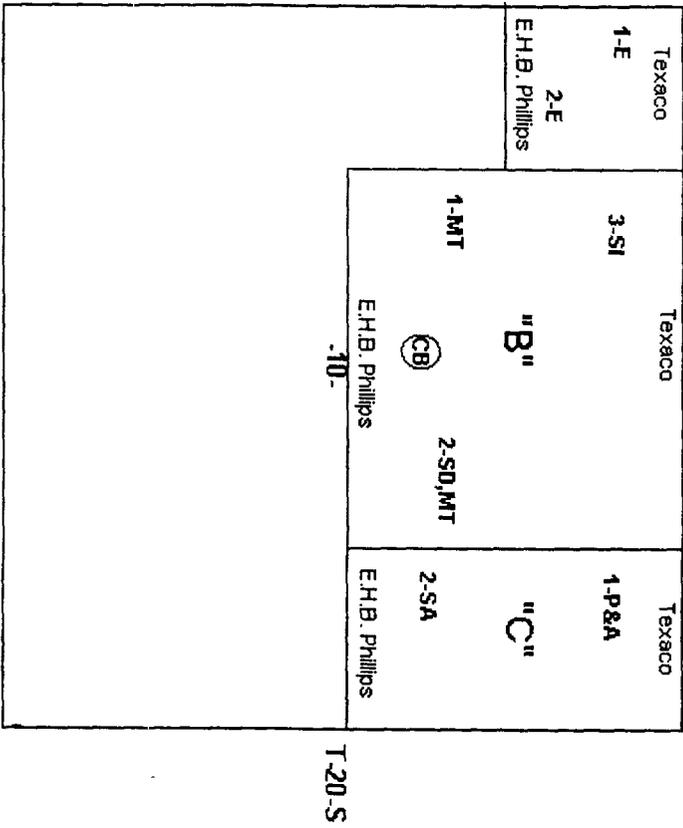
Paula S. Ives
Engineer Assistant

Cc: NMOCD-Hobbs, N.M.
Alan Chase

attachments

Texaco North American Production
 E. H. B. Phillips "B" Lease
 Lea County, New Mexico
 Section 10, T-20-S, R-37-E

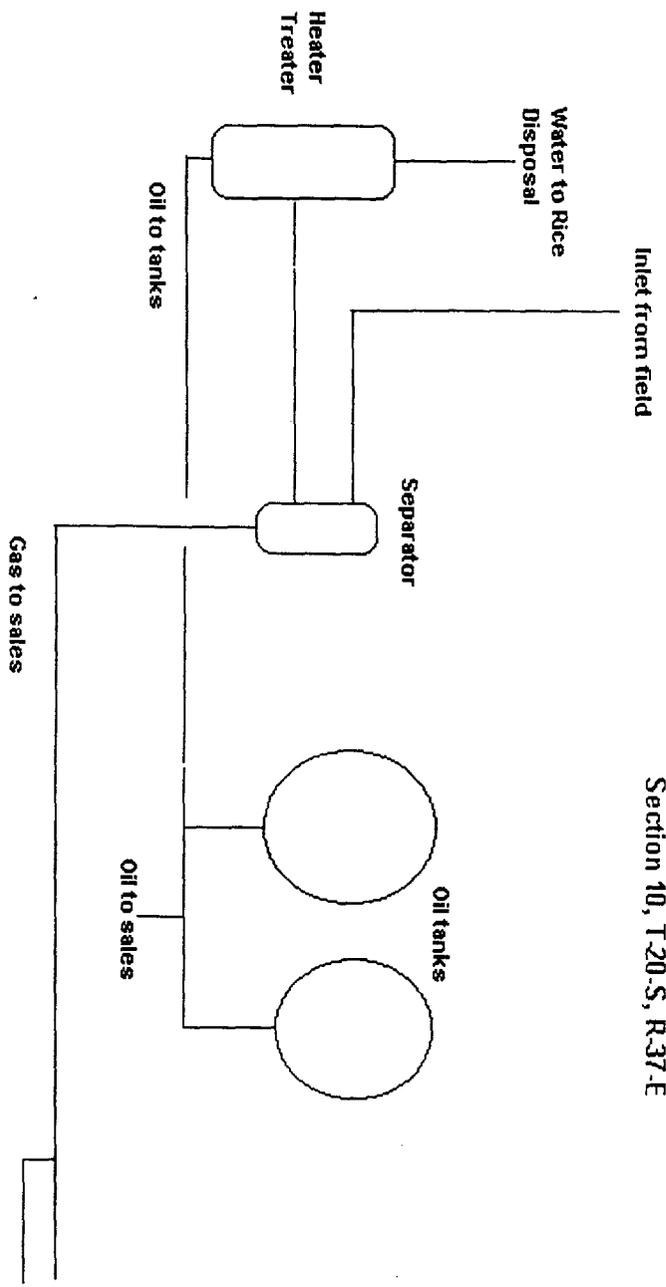
R-37-E



Legend

- E-Eunmont Yates 7 Rurs Qn (Pro Gas)
- M-Monument Tubb
- SD-Skaggs Drinkard
- SA-Skaggs Abo (Gas)
- PA-plugged & Abandoned
- CB-Commingling Battery
- SI-Shut-in

Texaco North American Production
E. H. B. Phillips "B" Commingled Tank Battery
Lea County, New Mexico
Section 10, T-20-S, R-37-E



Is your RETURN ADDRESS completed on the 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

Consult postmaster for fee.

3. Article Addressed to:

Charles B. Read
P.O. Box 1518
Roswell, New Mexico 88201

4a. Article Number
P 442 355 647

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
2-17-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Charles B. Read*

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Edward Galt Trust
M T Steves Sole-Trustee
P.O. Box 22757
Houston, Tx 77227

4a. Article Number
P 442 355 648

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Tom Steves*

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ARCO Permian A Unit of Atlantic
Richfield Co. Oil/Gas Revenue Co
P.O. Box 910355
Dallas, TX 75391

4a. Article Number
Z 576 997 350

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
2-22-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the reverse side?

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- Complete items 3, 4a, and 4b.
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- 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):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Jacqueline F Campbell
P.O. Box 112
Ouray, CO 81427

4a. Article Number
Z 576 997 346

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
2/22/99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X *Keith Kahn*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the 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.
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- 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):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Headington Royalty Inc.
P.O. Box 890479
Dallas, TX 75389

4a. Article Number
Z 576 997 356

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)
Richard Petty

6. Signature: (Addressee or Agent)
X *Richard Petty*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

is your RETURN ADDRESS completed on the 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.
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- 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):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Petco LTD
P.O. Box 911
Breckenridge, TX 76424

4a. Article Number
Z 576 997 349

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
2-19

5. Received By: (Print Name)
Christie Spencer

6. Signature: (Addressee or Agent)
X *Christie Spencer*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the 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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Burke Healey Trust Burke Healey Trustee P.O. Box 100 Davis, OK 73030	4a. Article Number Z 576 997 352	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name)	7. Date of Delivery 5/16/99	8. Addressee's Address (Only if requested and fee is paid)
6. Signature: (Addressee or Agent) X [Signature]		

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the 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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: JWK Minerals Management P.O. Box 1169 Duncan, OK 73534	4a. Article Number Z 576 997 354	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name)	7. Date of Delivery 2/18/99	8. Addressee's Address (Only if requested and fee is paid)
6. Signature: (Addressee or Agent) X [Signature]		

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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3. Article Addressed to: Baren Healey 1988 Trust Baren Healey O Trustee P.O. Box 888 Davis, OK 73030	4a. Article Number Z 576 997 351	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name)	7. Date of Delivery 2/18/99	8. Addressee's Address (Only if requested and fee is paid)
6. Signature: (Addressee or Agent) X [Signature]		

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Hamon Operating Co.
 P.O. Box 200084
 Dallas, TX 75320

4a. Article Number
 Z 576 997 347

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 FEB 18 1999

5. Received By: (Print Name)
 Dobbins

6. Signature: (Addressee or Agent)
 X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 BK Exploration Co.
 810 S. Cincinnati Ste 208
 Tulsa, OK 74119

4a. Article Number
 Z 576 997 353

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 2/18/99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X B *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Helen Childers Harkins
 3997 E Desmond Ln
 Tucson, AZ 85712

4a. Article Number
 Z 576 997 345

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 2-18-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X *[Signature]*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Moore Trust
P.O. Box 10908
Midland, TX 79702

4a. Article Number
2576 997 357

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

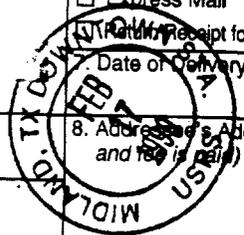
7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *A. Doan*



Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Roy G Barton Sr and Opal Barton
Rev Trust Roy G Barton Jr Tr
1919 North Turner St.
Hobbs, NM 88240

4a. Article Number
2576 997 348

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
2-17-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Brenda Stewart*

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

University of Oklahoma Foundatio
Inc.
100 Timberdell Rd.
Norman, OK 73019

4a. Article Number
P 442 355 511

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
2-26-99

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Ann Stewart*

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

J Hiram Moore
P.O. Box 10908
Midland, Tx 79702

4a. Article Number

442 355 649

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

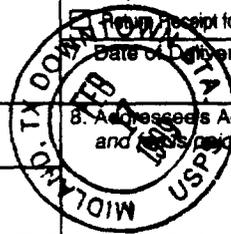
Date of Delivery

5. Received By: (Print Name)

6. Addressee's Address (Only if requested and return paid)

6. Signature: (Addressee or Agent)

X *J H Moore*



Thank you for using Return Receipt Service.