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Texaco, Inc.
Drawer 728
Hobbs, New Mexico 88240

Attention: Mr. J. G. Blevins, Jr.

RE: Amendment NMOCC Administrative Order
No. CTB-23, TEXACO Inc. State of New
Mexico "BV" NCT-1 and NCT-2 (Common
Lease B-10076) and State of New Mexico
"BY" NCT-1 and NCT-2 (Common Lease B-11264)
Lea County, New Mexico

Gentlemen:

We regret to inform you that we are unable to approve your
proposal to amend NMOCC Order CTB-23 to include Lazy "J"
Pennsylvanian production from Section 36, T-13S, R-33E and
from the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, T-13S, R-33E.

Under Rule 53 of our regulations, approval may be obtained
to commingle production between different state leases pro-
vided that the production is from land belonging to one common
state beneficiary and provided that the production from each
state lease is properly metered.

As we understand from your proposal, as indicated by your
schematic diagram, there are no facilities to separately
meter the production derived from the two state leases
involved, i.e. State of New Mexico Leases B-11264 and B-