



CTB 7/27/99
474 AMENVED

TEXACO

June 28, 1999

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

Attn: Lori Wrotenbery
Director, New Mexico Oil Conservation Division

-7-

SURFACE COMMINGLING PERMIT APPLICATION

Texmack '1' Federal Com #1 (NM912932)
Fren Morrow Pool
Letter E, Sec. 1, T-17-S, R-31-E into the
Texmack Central Tank Battery
Letter C, Sec. 11, T-17-S, R-31-E (Battery Location)
Eddy County, New Mexico

Ms. Wrotenbery:

Attached is a request for surface commingling to the Bureau of Land Management concerning the Texmack '1' Federal Com #1 into the Texmack Central Tank Battery located at the Texmack '11' Federal #1. There are presently two producing Fren Morrow wells commingled into this battery. The lease is operated by Texaco Exploration and Production Inc. and has 50% of the gross working interest in this lease.

I have attached a plat showing the location of both the producing and proposed wells and the battery. Also attached is a schematic of the recently built tank battery. The Texmack '1' Fed Com #1 well will have a stackpack on location. The condensate will be metered on location before it is sent through a pipeline to the Texmack '2' State Com #1. From there, the condensate will go into the Temack '2' State Com #1 pipeline to the Texmack Central Tank Battery where it will be commingled with the fluid from the Texmack '11' Federal #1 well. The gas produced from the well will be metered and sold to Conoco through a meter and pipeline on location.

All three wells will be producing from the Fren Morrow pool. The oil will be sold by truck to Equilon. There are plans to install a LACT unit in the near future. Water from the battery will be hauled to a disposal well.

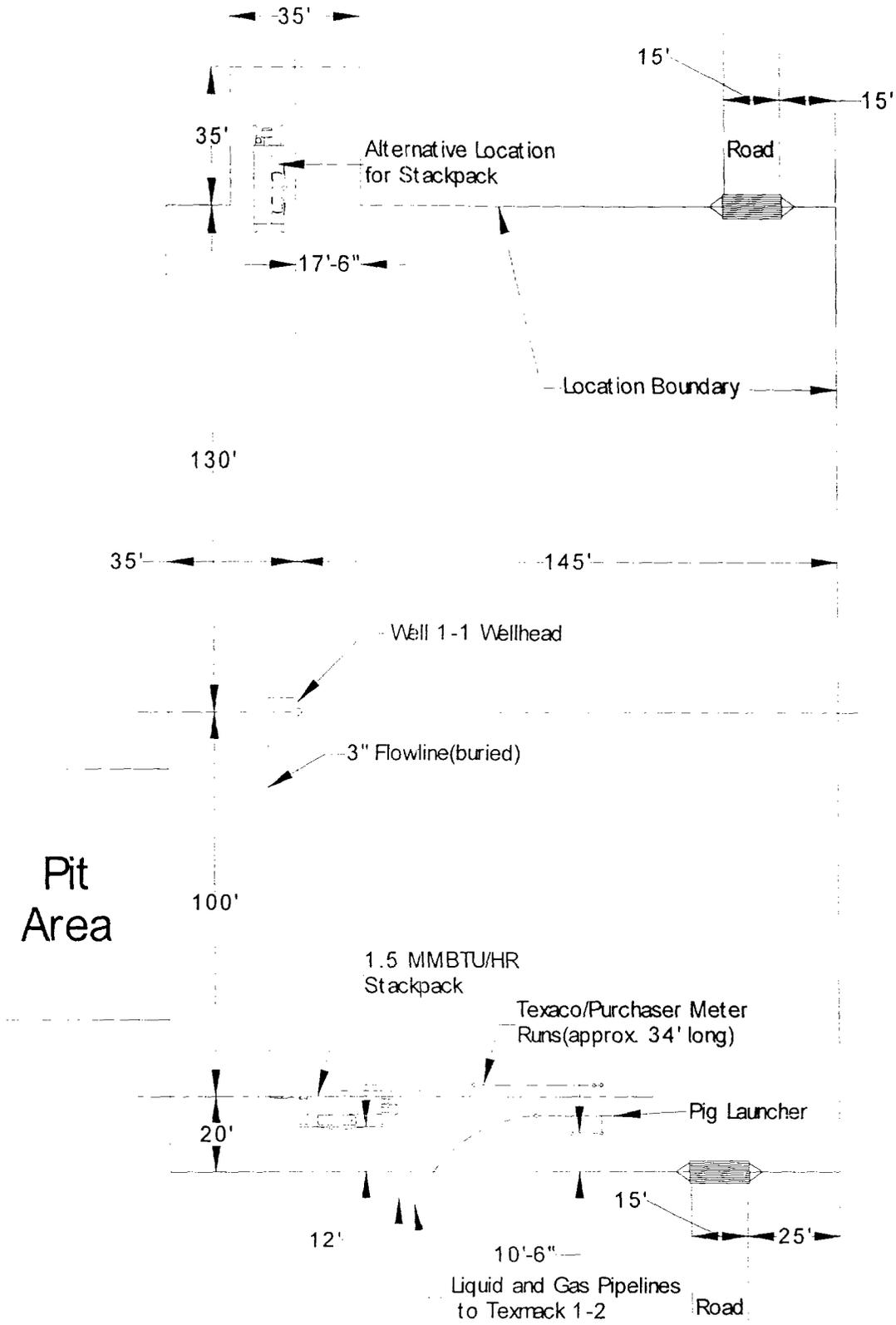
If you have any questions concerning this request, please contact me at 397-0447. Thank you for your assistance in this matter.

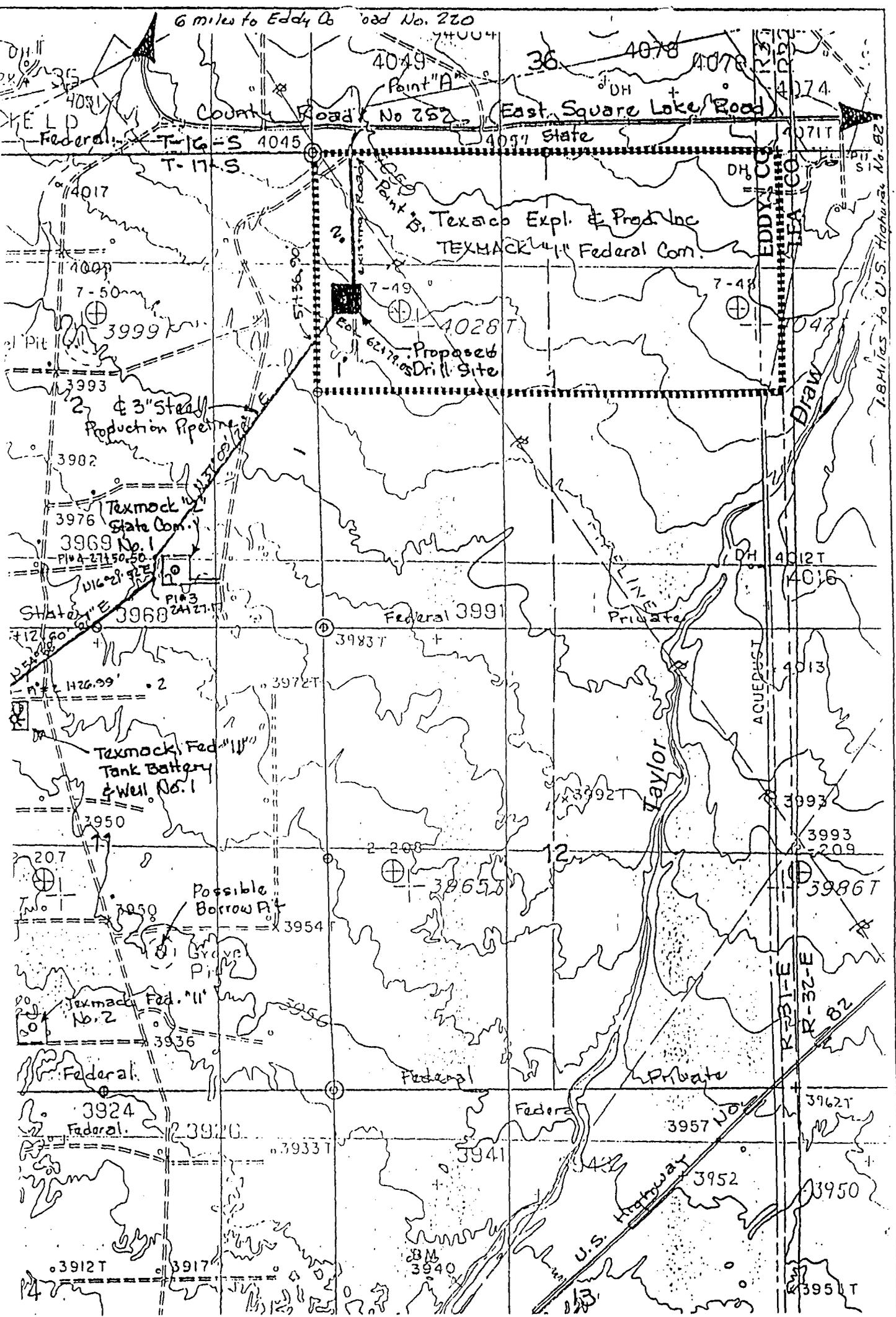
Yours very truly,

Bobby J. Hill

Bobby J. Hill
Engineer Assistant
Texaco Exploration and Production

North





dated Pipeline 11/23/1998 JSAPER.

LEGEND OF SYMBOLS

- = Access Road (Yellow)
- = Resource Road on State Land (Blue)
- = Resource Road on Private Land (Pink)
- = Resource Road on Lease (Brown)
- = Proposed Resource Road (Red)
- = Proposed Electric Line (Orange)
- = Proposed Production Flowline (Green)
- = Staked Well Location
- = Producing Well Location
- ⊙ = Water Injection Well
- = Found 1" Iron Pipe With Brass Cap
- ⊙ = Found 2 or 3" Iron Pipe With Brass Cap
- = Unit or Lease Boundary

EXHIBIT "A"	
ACCESS ROAD AND FACILITIES MAP	
TEXACO EXPLORATION AND PRODUCTION Inc.	
TEXMACK "1" FEDERAL COM. NO. 1 1650' FNL & 330' FWL Section 1, T-17-S, R-31-E, Eddy County, NM	
Drawn by: J.S. Piper	Scale: 1" = 1320 Feet
Date: Nov. 17, 1998	Supervisor: Phil Ryan
Checked by: Gene Rodriguez	Sheet 6 of 8

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.

NM912932

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number

TEXMACK 1 FEDERAL COM

1

9. API Well No.

10. Field and Pool, Exploratory Area
Fren Morrow

11. County or Parish, State

Eddy County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0444

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter E : 1650 Feet From The North Line and 330 Feet From The

West Line Section 1 Township 17S Range 31E

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> At-ering Casing
	<input checked="" type="checkbox"/> OTHER: <u>Surface Commingle</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Texaco Exploration and Production, Inc. is requesting permission to commingle production from the **TexMack '1' Federal Com #1, NM912932**, a new drill well, (Unit Ltr 'E'-Sec 1-T17S-R31E) into the production facilities at the Texmack Central Tank Battery located at the **TexMack '11' Federal #1, LC-029418B**, (Unit Ltr 'C'-Sec 11-T17S-R31E). Condensate will be metered at the stackpack and sent down a pipeline to the **TexMack '2' State Com #1, NM 912634**, (Unit Ltr 'O'- Sec 2-T17S-R31E). At that point, the fluid will tie into the flowline from the TexMack '2' State Com #1 pipeline to the TexMack Central Tank Battery. The gas from the TexMack '1' Fed Com #1 will be metered and sold on location to Conoco. All three wells are completed in the Fren Morrow zone. The specific gravity of the hydrocarbon is 54.6 at 78 degrees. The water produced at the battery from the three wells will be trucked and disposed of at a SWD. The condensate is sold and trucked by Equilon. There are plans to install a LACT unit in the near future.

14. I hereby certify that the foregoing is true and correct.

SIGNATURE Bobby J. Hill TITLE Engineering Assistant DATE 6/29/99

TYPE OR PRINT NAME Bobby J. Hill

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0444

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter E : 1650 Feet From The North Line and 330 Feet From The

West Line Section 1 Township 17S Range 31E

5. Lease Designation and Serial No. LC-049998(6) NM912932

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number
TEXMACK 1 FEDERAL COM

9. API Well No. 30-015-30512

10. Field and Pool, Exploratory Area
Fren Morrow

11. County or Parish, State
Eddy County, New Mexico

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> OTHER: Surface Commingle
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Texaco Exploration and Production, Inc. is requesting permission to commingle production from the TexMack '1' Federal Com #1, NM912932, a new drill well, (Unit Ltr 'E'-Sec 1-T17S-R31E) into the production facilities at the Texmack Central Tank Battery located at the TexMack '11' Federal #1, LC-029418B, (Unit Ltr 'C'-Sec 11-T17S-R31E). Condensate will be metered at the stackpack and sent down a pipeline to the TexMack '2' State Com #1, NM 912634, (Unit Ltr 'O'- Sec 2-T17S-R31E). At that point, the fluid will tie into the flowline from the TexMack '2' State Com #1 pipeline to the TexMack Central Tank Battery. The gas from the TexMack '1' Fed Com #1 will be metered and sold on location to Conoco. All three wells are completed in the Fren Morrow zone. The specific gravity of the hydrocarbon is 54.6 at 78 degrees. The water produced at the battery from the three wells will be trucked and disposed of at a SWD. The condensate is sold and trucked by Equilon. There are plans to install a LACT unit in the near future.

14. I hereby certify that the foregoing is true and correct.

SIGNATURE *Bobby J. Hill* TITLE Engineering Assistant DATE 6/29/99

TYPE OR PRINT NAME Bobby J. Hill

(This space for Federal or State use)
APPROVED BY *David P. Glass* TITLE PETROLEUM ENGINEER DATE JUL 08 1999

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any statement of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Hill, Bobby J

From: Lanning, Ron W
Sent: Wednesday, June 23, 1999 9:55 AM
To: Hill, Bobby J; Leake, J Denise
Subject: Texmack "1" Fed. Com. No. 1 Well

You need to notify the following parties of our application to surface comingle liquids from this well:

Working Interest Owners:

**Chase Oil Corporation
Mack C. Chase, Trustee
Robert C. Chase
Richard L. Chase
Gerene Dianne Chase Crouch
all @ P.O. Box 1767
Artesia, NM 88211**

Royalty Owner:

**Bureau of Land Management
2909 West Second Street
Roswell, NM 88201**

Overriding Royalty Owners:

**ARCO Permian
P.O. Box 1610
Midland, TX 79702**

**Vernon L. Foster, Jr.
8414 Burning Tree Rd.
Pensacola, FL 32514**

**Thomas B. Foster
10806 E. Lakeshore Dr.
Carmel, IN 46033**

**Sue Foster Wettengel
415 West White Oak Way
Mequon, WI 53092**

All notices should go out certified - return receipt.

*Ron Lanning
Hobbs Asset Team
915-688-4445
Texnet-672-4445
915-688-4831 Fax
Texnet-672-4831 Fax
Lannirw@Texaco.com*

Submit 3 copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-015-29720
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	LC-029418B
7. Lease Name or Unit Agreement Name	TEXMACK 11 FEDERAL
8. Well No.	1
9. Pool Name or Wildcat	FREN MORROW
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3949' GR

SUNDRY NOTICES AND REPORTS ON WELL (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.

3. Address of Operator 205 E. Bender, HOBBS, NM 88240

4. Well Location Unit Letter C 990 Feet From The NORTH Line and 1650 Feet From The WEST Line Section 11 Township 17-S Range 31-E NMPM EDDY COUNTY

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Surface commingle of production <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Texaco is giving notification of the commingling of production from Texmack 2 State #1, St. Lse. #NM 912634(660' FSL and 1650' FEL; Sec 2-T17S-R31E), a new gas well, into production facilities at Texmack 11 Federal #1, Fed. Lse. #LC-029418B, (990' FNL and 1650' FWL; Sec 11-T17S-R31E). Both wells are completed in the Fren Morrow zone. Metering of oil, water, and gas will be done at each separator before commingle. Currently the Texmack 11 Federal #1 is producing 242 bbls. of condensate and 1 bbl. of water per day. The specific gravity of the hydrocarbon is 54.6 at 78 degrees.

The facilities at the Texmack 11 Federal #1 began receiving production from Texmack 2 State #1 on August 13, 1998, per Commingling Order #CTB-474.

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE Bobby J. Hill TITLE Engineering Assistant DATE 8/17/98 TYPE OR PRINT NAME Bobby J. Hill Telephone No. 397-0444

(This space for State Use)

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY: