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P. O. Box 11005

STEVENS & TULL, INC.
MIDLAND, TEXAS 79702

DIVISION
915/699-1410

SEP 8 52

September 11, 1996

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

Attn: Mr. Michael Stogner

Re: Surface Commingling
Kyte #1 and #3 Wells
N/2 SE/4 Section 23,
T-20-S, R-38-E, N.M.P.M.,
Lea County, New Mexico
Carter "23" Prospect

Gentlemen:

Stevens & Tull, Inc hereby requests that the Oil Conservation Division grant us the administrative approval to commingle the captioned wells located on our Kyte Lease, Property Code No. 010711, in a common surface facility. We have contacted Mr Jerry Sexton of your Hobbs office and advised him that these two (2) wells have been commingled at our surface facility located by the Kyte #1 well since June 24, 1996.

The Kyte #1 well, API No. 30-025-30793, was drilled and completed on August 25, 1990 in the Blinebry Oil & Gas pool, Pool Code 06660, and has continually produced from inception. We have a well established production rate and decline curve for this well. The Kyte #3 well, API No. 30-025-33427, was drilled and completed on June 24, 1996 in the East Warren Tubb pool, Pool Code 87085. We have continually monitored and reported the production from each well to its specific pool with the State of New Mexico since the Kyte #3 well was completed. The mineral and royalty ownership under both wells are common.

We propose to use the accepted industry method of shutting in one (1) of the wells on a periodic basis, being every other Monday, to establish a daily productive rate for each well. I have enclosed a schematic of the wells and production facilities, as well as a land plat to show where these wells are located.

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Commingle Request

As stated above, we are now seeking the NMOCD's administrative approval to commingle these wells at the surface, because we believe it would conserve the natural resources and extend the economic life of both wells. Should you have any questions, please contact our office.

Yours very truly,

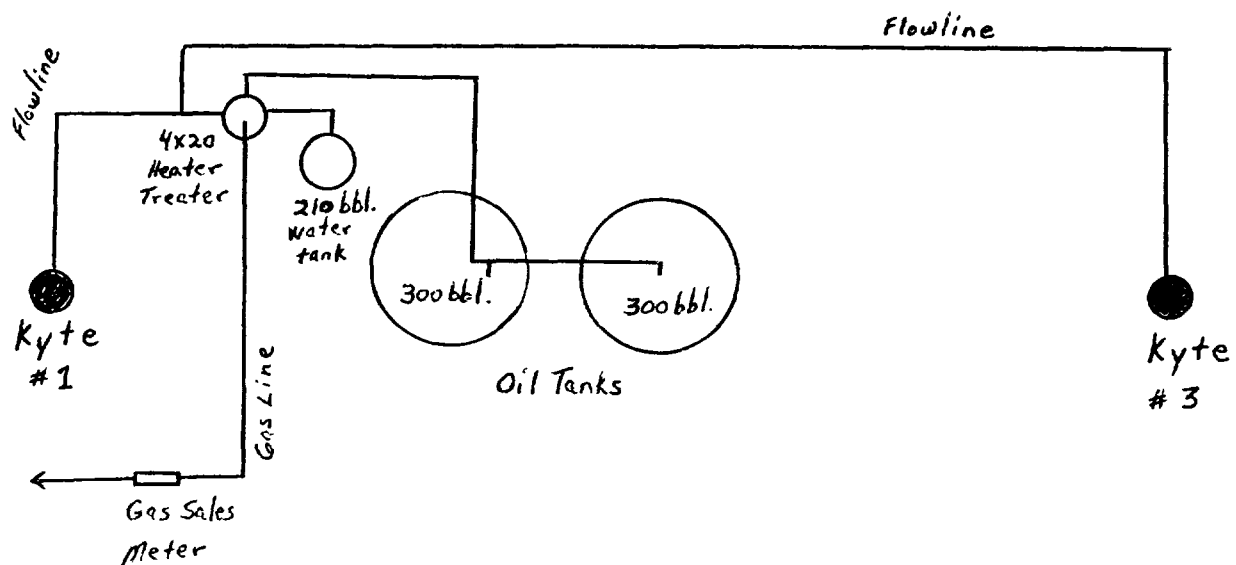


Jerry A. Weant, CPL
Landman

cc: Royalty Owners

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**STEVENS
&
TULL, INC.
KYTE LEASE
LEA COUNTY,
NEW MEXICO**



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