



PLC-100

October 23, 1996

New Mexico Oil Conservation Division  
P.O. Box 1980  
Hobbs, New Mexico 88240

**COPY**

Attn: Mr. Jerry Sexton, New Mexico Oil Conservation Division District I Supervisor

RE: **Temporary Approval for Off-Lease Storage & Surface Commingling**  
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp, Vacuum  
Drinkard, Vacuum Atoka pools  
Ltr O, Sec. 25, T-17-S, R-34-E (Battery Location)  
State BA #14; Ltr A, Sec 36, T-17-S, R-34-E (Well Location)  
Lea County, New Mexico

Mr. Sexton:

Texaco Exploration and Production Inc. respectfully requests a 30 day temporary approval from November 1st - December 1st, 1996 for Off-Lease Storage and Surface Commingling on the above well. This temporary approval will allow TEPI sufficient time to have an Off-Lease Storage and Surface Commingling request approved by the NMOCD and the New Mexico Land Department. A copy of the request is attached for your information.

This well was spud on 9/11/96 and will soon be completed in the Vacuum Atoka pool. Upon completion, this well's production will go through a three phased separator on the well's location. The well's gas will be sold to Texaco Exploration and Production Inc.'s Gas Division through a sales meter on location. Both oil and water will be measured separately through flow meters. If this 30 day temporary approval is approved, the total fluid will then be sent to the battery. If this 30 day temporary approval is not approved the total fluid will be sent to frac tanks on the well's location.

Please indicate your approval of the above proposal by signing in the space provided below and returning one copy to Texaco in the self addressed envelope.

If you have any questions concerning this proposal, please contact me at 397-0418. Thank you for your consideration of this proposal.

Sincerely,

Monte C. Duncan  
Engineer's Assistant

Approved by:

Date:

10-22-96

MCD/s

cc: New Mexico Oil Conservation Division, Santa Fe  
New Mexico Land Department, Santa Fe



PLC-100

COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5795

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trall, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5715

PLANNING  
(505)-827-5752

November 4, 1996

Texaco Exploration & Production Inc.  
P. O. Box 730  
Hobbs, New Mexico 88240

Attn: Mr. Monty C. Duncan

Re: Amended Application for Off Lease Storage and Surface Commingling  
New Mexico N, O, Q, & BA Battery  
Vacuum Abo North, Vacuum Upper Penn, Vacuum Wolfcamp Pools  
Vacuum Drinkard and Vacuum Atoka Pools  
Unit Letter O, Section 25-17S-34E (Battery Location)  
Lea County, New Mexico

Dear Mr. Duncan:

We have received your amended application dated October 23, 1996, wherein you have requested our approval to amend your previously approved application for surface commingling and the off-lease storage of the production from fifteen wells at the above-captioned battery.

It is our understanding that you will amend your previously approved application to add the New Mexico O State NCT-1 Well No. 39 and the State BA Well No. 14 to the N, O, Q and BA Battery.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Since the above-mentioned wells are utilizing the tank battery on Lease B-1056-2, a right-of-way easement will be required. Please contact Ms. Debra Padilla of our Right-of-Way Division for further information regarding this easement. Ms. Padilla's telephone number is 827-5729.

Our approval is contingent upon Texaco's obtaining any required rights-of-way.

Texaco Exploration & Production Inc.

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Your \$30.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY   
LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

B-1056-2

OCD--Attention: David Catanach and Ben Stone

Debra Padilla