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SURFACE RESOURCES

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

June 15, 2000

Texaco Exploration and Production, Inc.
205 East Bender
Hobbs, New Mexico 88240

Attn: Mr. Bobby J. Hill

Re: Notification of Intent to Commingle Production
Remuda Basin State Well No. 9
Unit Letter N, Section 30-23S-30E
Remuda Basin State Well No. 10
Unit Letter M, Section 30-23S-30E
Any Other New Drill Wells
W/2, Section 30-23S-30E
Remuda Basin Central Tank Battery
Unit Letter O, Section 19-23S-30E
SW Forty Niner Ridge Delaware Pool
Eddy County, New Mexico

Dear Mr. Hill:

We have received your letter of March 30, 2000, wherein you have requested our approval to amend the New Mexico Oil Conservation Division Order PLC-123 to commingle production from the above-captioned wells and to include any other new drilled wells in the W/2 of Section 30 (E-5229-7) into the Remuda Basin Central tank Battery located in the SW/4SE/4 of Section 19-23S-30E

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries as a result of your proposed operation, your request is hereby approved. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval, should this operation prove to be unprofitable to the state at any time in the future. Also, our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

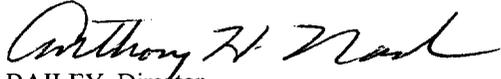
Your \$30.00 filing fee has been received.

Texaco Exploration and Production, Inc.
June 15, 2000
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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: 
FOX JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
Enclosure
xc: Reader File

, Mr. Ben Stone

BLM