

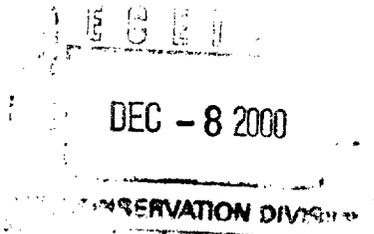
346 55810

PLC

12/28/00

November 30, 2000

NMOCD  
Attn: Mark Ashley  
2040 S. Pacheco  
Santa Fe, New Mexico 87505



Subject: Notification of Intent to Commingle Production – Teague San Andres, N (Pool Code 96197) & Teague Glorietta-Upper Paddock, SW (Pool Code 58595)

Dear Mr. Ashley,

Texaco Exploration and Production, Inc. respectfully requests administrative approval with the attached application to amend the NMOCD Commingling Order **CTB-412** to include the production from the R.R. Sims "A" #2 (Ltr N, 660 FSL and 1650 FNL, Sec. 4, T-23-S, R-37-E) into the B.F. Harrison "B" tank battery #2 (Ltr C, Sec. 9, T-23-S, R-37-E). CTB-412 allows the commingling of the production from the Southwest Teague Glorietta – Upper Paddock Pool from both the B.F. Harrison and R.R. Sims "A" leases.

We would like to request that this order be extended and a PLC permit be issued to include the San Andres production from R.R. Sims "A" #2 into this same battery. Until recently, the B.F. Harrison "B" #18 was completed in the Teague San Andres Pool and production was commingled with Glorietta-Paddock production in this battery.

Texaco Exploration and Production operates both of these leases and has 100% of the gross working interest in each. Royalty owners for both leases have been notified of our intent. The production from R.R. Sims "A" #2 will be run into its own vessel and metered separately. It is estimated that production will be 10 BOPD, 75 BWPD, and 150 MCFPD pumping. The product price will not be reduced from the commingling of the San Andres at the existing commingled battery based on volumes and gravity.

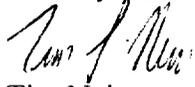
I have attached a plat showing the location of the wells and the battery and a copy of the commingling order, CTB-412. Also enclosed is a description of the current Glorietta-Paddock production, oil gravity, and economic value as well as those expected from the San Andres re-completion.

Currently, the well tests for the B.F. Harrison tank battery #2 are as follows:

B.F. Harrison "B" #18	32 oil / 68 water / 2 mcf	Glorietta/Paddock	<u>30-025-32159</u>
B.F. Harrison "B" #14:	10 oil / 36 water / 2 mcf	"	<u>30-025-32173</u>
B.F. Harrison "B" #11:	26 oil / 42 water / 2 mcf	"	<u>30-025-32107</u>
B.F. Harrison "B" #10:	42 oil / 70 water / 12 mcf	"	<u>30-025-32106</u>
B.F. Harrison "B" #8:	98 oil / 47 water / 22 mcf	"	<u>30-025-31955</u>
R.R. Sims "A" #6	0 oil / 193 water / 2 mcf	"	<u>30-025-32944</u>
R.R. Sims "A" #2:	To be determined once complete	San Andres	<u>30-025-31538</u>

The oil will be sold through a LACT unit to Eott. Water from this battery is disposed of in the B.F. Harrison "B" #16 SWD. The gas will be sold to Dynegy at the lease. If you have any questions concerning this request, please call me at (915) 688-4639.

Thank you,

A handwritten signature in black ink, appearing to read "Tim Nein". The signature is written in a cursive style with a large initial "T" and "N".

Tim Nein  
Production Engineer  
Texaco E&P

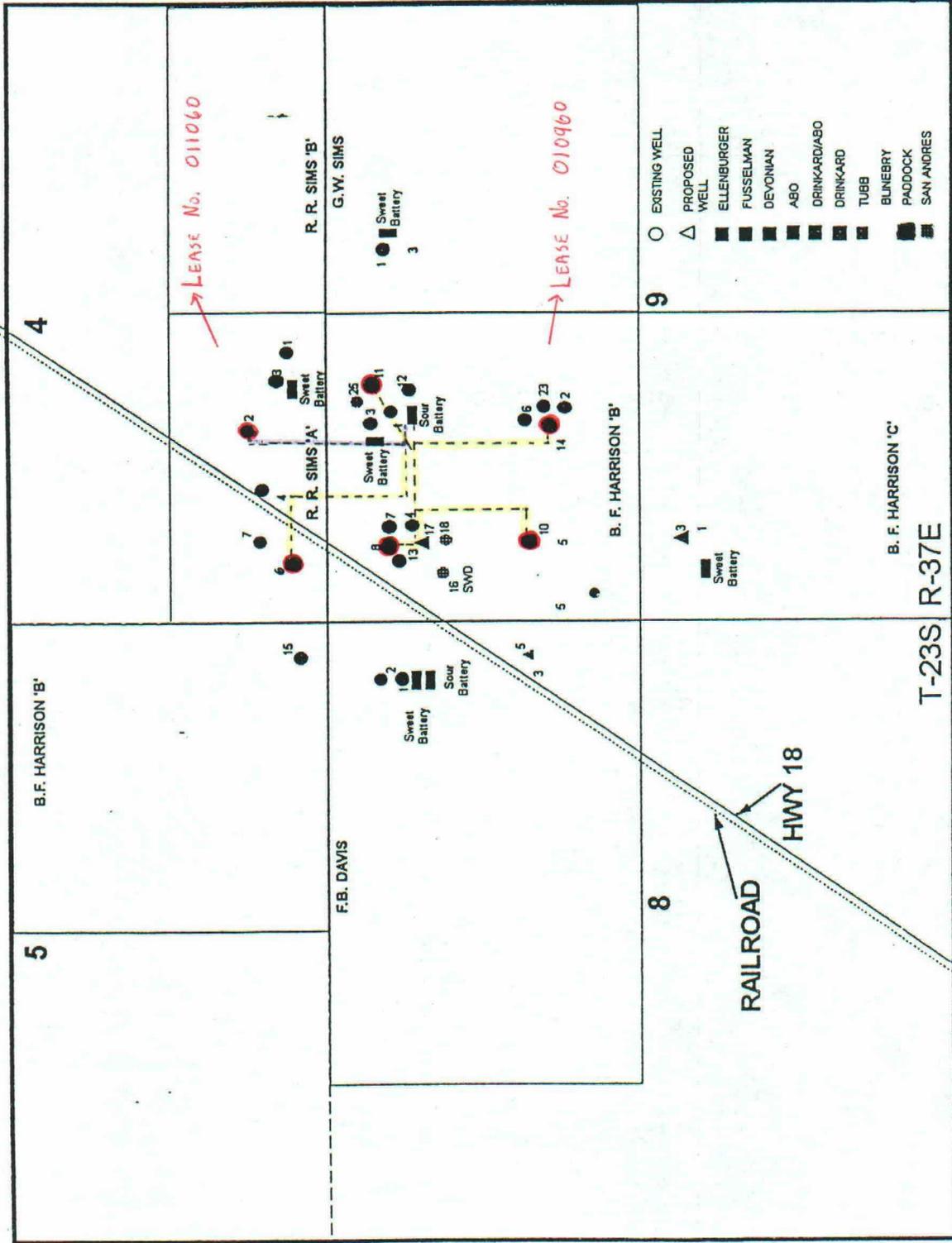
Surface Commingling Project  
R.R. Sims "A" & B.F. Harrison "B" Lease  
Lea County, New Mexico

Pool	Number of Wells	API Gravity	Avg. Production BOPD	Price \$/bbl
Glorietta Paddock	6	35	208	\$ 31.40
San Andres	1	33	10	\$ 31.40
Commingled Totals / Averages		34.9	218	\$ 31.40

Estimated daily sales BEFORE commingling additional zones: \$ 6,845.20  
Estimated daily sales AFTER commingling additional zones: \$ 6,845.20

\*\* Dollar Figures / bbls are based on October, 2000 prices \*\*

# NORTH TEAGUE FIELD

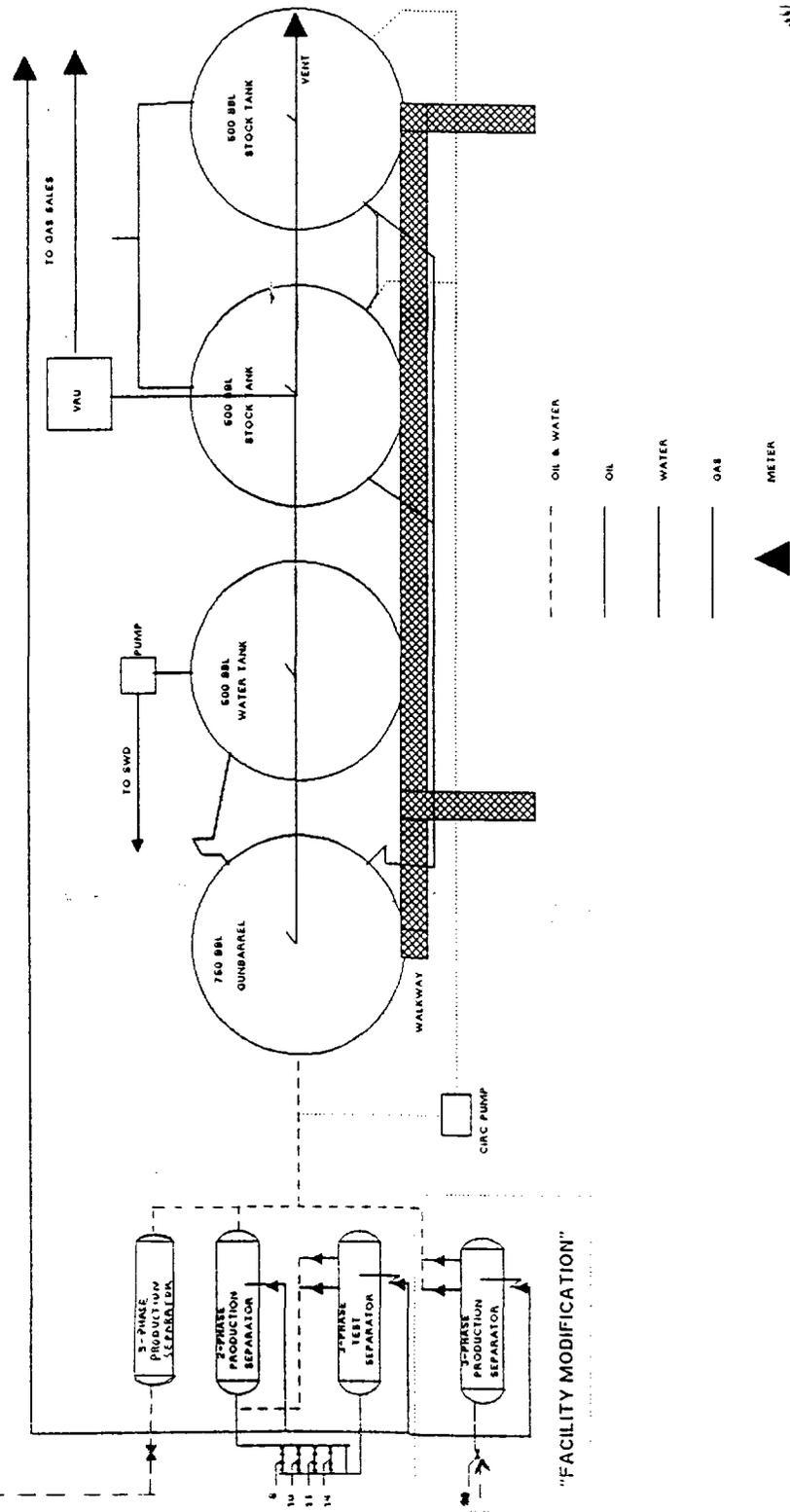




R.R. Sims 'A' #2  
(proposed)

**B. F. HARRISON 'B' LEASE  
SOUR TANK BATTERY  
SEC. 9, T-23S, R-37E  
LEA COUNTY, NEW MEXICO**

R.R. Sims 'N' #6



LEGAL LOCATION: UNIT "C", SEC. 9, T-23-S, R-37-E

OIL CONSERVATION DIVISION

CORRECTED COMMINGLING ORDER CTB-412

Texaco Exploraation & Production, Inc.  
P.O. Box 730  
Hobbs, New Mexico 88241-0730

Attention: Mr. Russell S. Pool

The above named company is hereby authorized to commingle Southwest Teague Glorieta - Upper Paddock Pool production from the following leases:

Lease: R.R. Sims 'A' Well No.6  
Description: S/2 SW/4 of Section 4 and;

Lease: B.F. Harrison 'B' Lease  
Description: NW/4 of Section 9;

all in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

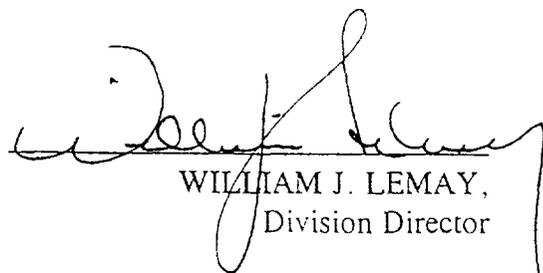
Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

FURTHER: The operator shall notify the Hobbs district office of the Division upon implementation of the commingling process.

FURTHER: Commingled production shall be stored in the B.F. Harrison 'B' tank battery facility located Unit Letter "C" of Section 9, T-23-S, R-37-E.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 25th day of September, 1995

  
WILLIAM J. LEMAY,  
Division Director

WJL/BES

cc: Oil Conservation Division - Hobbs

INTEREST OWNERS  
P.O. Box XXX  
XXX, XX XXXXX

November 30, 2000

To Whom It May Concern:

Texaco Exploration and Production, Inc. respectfully requests administrative approval with the attached application to amend the NMOCD Commingling Order **CTB-412** to include the production from the R.R. Sims "A" #2 (Ltr N, 660 FSL and 1650 FNL, Sec. 4, T-23-S, R-37-E) into the B.F. Harrison "B" tank battery #2 (Ltr C, Sec. 9, T-23-S, R-37-E). CTB-412 allows the commingling of the production from the Southwest Teague Glorietta – Upper Paddock Pool from both the B.F. Harrison and R.R. Sims "A" leases.

We would like to request that this order be extended and a PLC permit be issued to include the San Andres production from R.R. Sims "A" #2 into this same battery. Until recently, the B.F. Harrison "B" #18 was completed in the Teague San Andres Pool and production was commingled with Glorietta-Paddock production in this battery.

Texaco Exploration and Production operates both of these leases and has 100% of the gross working interest in each. Royalty owners for both leases have been notified of our intent. The production from R.R. Sims "A" #2 will be run into its own vessel and metered separately. It is estimated that production will be 10 BOPD, 75 BWPD, and 150 MCFPD pumping. The product price will not be reduced from the commingling of the San Andres at the existing commingled battery based on volumes and gravity.

Currently, the well tests for the B.F. Harrison tank battery #2 are as follows:

B.F. Harrison "B" #18	32 oil / 68 water / 2 mcf	Glorietta/Paddock
B.F. Harrison "B" #14:	10 oil / 36 water / 2 mcf	"
B.F. Harrison "B" #11:	26 oil / 42 water / 2 mcf	"
B.F. Harrison "B" #10:	42 oil / 70 water / 12 mcf	"
B.F. Harrison "B" #8:	98 oil / 47 water / 22 mcf	"
R.R. Sims "A" #6	0 oil / 193 water / 2 mcf	"
R.R. Sims "A" #2:	To be determined once complete	San Andres

The oil will be sold through a LACT unit to Eott. Water from this battery is disposed of in the B.F. Harrison "B" #16 SWD. The gas will be sold to Dynegy at the lease. If you have any questions concerning this request, please call me at (915) 688-4639.

Thank you,

Tim Nein  
Production Engineer  
Texaco E&P

## Royalty Owners

### R.R. Sims "A" Lease

Alex Singer Royalty Trust 1  
Dept 130  
Tulsa, OK 74182

Jewell Ellen Griffin  
HC 68 Box 860  
Kingston, OK 73439

Carl O Griffin  
HC 68 Box 860  
Kingston, OK 73439

R.D. Sims  
P.O. Box 922  
Eunice, NM 88231

Floyd Raleigh Griffin  
P.O. Box 106  
Lampasas, TX 76550

Dorothy J. Gregory  
P.O. Box 132  
Eunice, NM 88231

Minnie Belle Hedgpeth  
P.O. Box 1045  
Jal, NM 88252

Fay Ruth Parrish  
5007 Chapel Hill  
Midland, TX 79705

Thelma May Cooper  
P.O. Box 72  
Jal, NM 88252

Sabine Royalty Trust Nations Bank  
Texas Suc Escrow Agent  
Dept. 0887  
Dallas, TX 75284

### B.F. Harrison "B" Lease

Michael Alan Huntington  
433 S 7th St.  
P.O. Box 1051  
Jal, NM 88252

Bankruptcy Estate of Benny Stone  
John Patrick Lowe Trustee  
318 East Nopal St.  
Uvalde, TX 78801

Jeri Ann Wynn  
13692 Winding Lane  
Broadway, VA 22815

Cynthia Mart Spillar  
25918 Lake Lawn Dr.  
Spring, TX 77380

Linda Kay Winter  
3414 Ann Arbor  
Houston, TX 77063

John P. Stone  
P.O. Box 915  
Stanton, TX 79782

Nancee Gay Stephens  
312 Northwood Dr.  
McKinney, TX 75070

Verna Jean Jinkins  
1305 S Country Club  
Carlsbad, NM 88220

Fortson Oil Co  
Suite 3301  
301 Commerce  
Fort Worth, TX 76102