

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766

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OCT 25 2002

OIL CONSERVATION
DIVISION

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

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

October 22, 2002

ChevronTexaco
15 Smith Road
Midland, Texas 79705

Attention: Ms. Carolyn J. Haynie

Re: Application for Surface Commingling
R.E. Cole (NCT-A)
Unit G. Section 16-22S-37E
Lea County, New Mexico

Dear Ms. Haynie:

We are in receipt of your letter of September 18, 2002 requesting our approval for an amendment to NMOCD Commingling Order PC-303, allowing for the surface commingling of San Andres production from the Cole 'A' 5 Battery, to be added to the R.E. Cole (NCT-A) Tank Battery #1. NMOCD Commingling Order PC-303 currently provides for the surface commingling of production from the Blinebry, Drinkard, and Penrose Skelly pools from the R.E. Cole (NCT-A) Lease, Unit G, Sec. 16-22S-37E.

It is our understanding that the proposed facility will be equipped with a metering test separator for monthly allocation of production to each well.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and 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. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

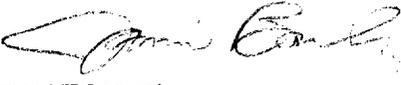
Your \$30.00 dollar filing fee has been received.

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:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File, OCD-Attention: David Catanach ✓